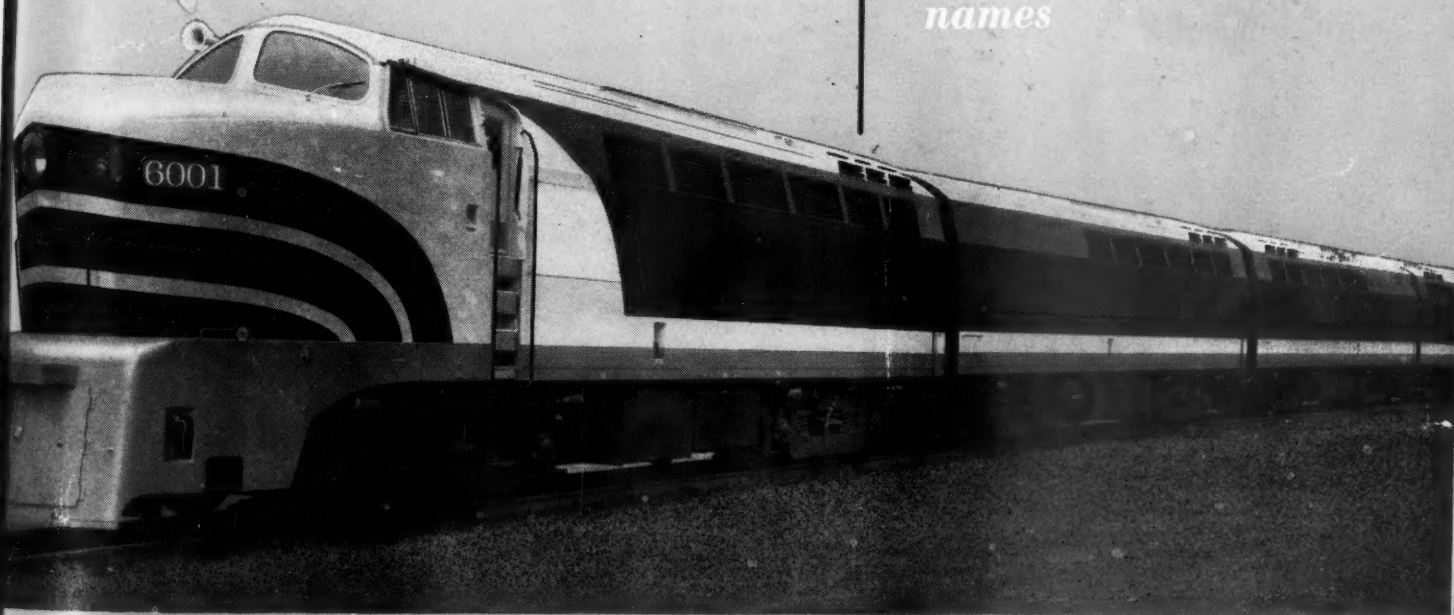


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Publisher of
Railway Age
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Car Builders' Cyclopedia
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Editorial and Executive Offices at 30 Church Street, New York 7, N. Y., and 79 West Monroe Street, Chicago 3, Ill.

Washington 4, D. C.: 1081 National Press Building—Cleveland 13: Terminal Tower—Seattle 1: 1914 Minor Avenue—Los Angeles 13: 816 West Fifth Street—Dallas 4: 2909 Maple Avenue.

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Subscriptions: including 52 regular weekly issues, and special daily editions published from time to time in New York or in places other than

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New York, payable in advance and postage free — United States, U. S. possessions and Canada: 1 year, \$6.00; 2 years, \$10.00; other countries not including daily editions in Western Hemisphere: 1 year, \$10.00; 2 years,

\$16.00; other countries: 1 year, \$15.00; 2 years \$25.00. Single copies, 50 cents each, except special issues.

H. E. McCandless, Circulation Manager, 30 Church Street, New York 7.

Railway Age is a member of Associated Business Papers (A. B. P.) and Audit Bureau of Circulation (A. B. C.) and is indexed by the Industrial Arts Index and by the Engineering Index Service. Published each Saturday by the Simmons-Boardman Publishing Corporation, Orange, Conn. Printed in U. S. A.

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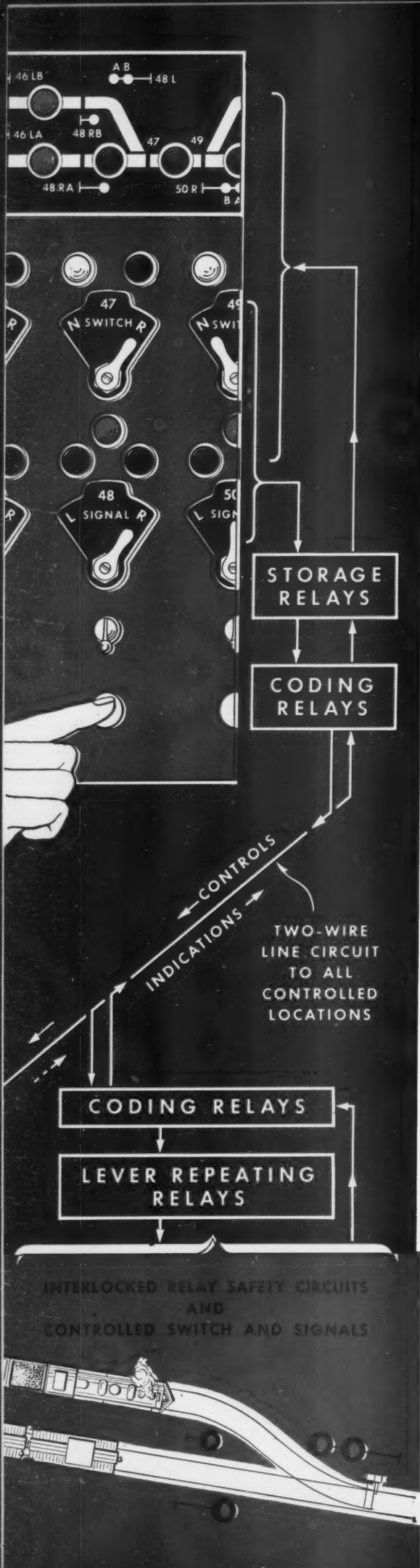
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WEEK AT A GLANCE

appears only in Club Proceedings which I got

THE RAILROADS' ACUTE PROBLEM: The railroads have many problems. But of them all, one of the most acute is the competition of heavy, long-distance trucks operating with little or no regulation over public highways, for the use of which they pay little, and to which they do heavy damage. Some of the facts about truck competition were presented to the New York Railroad Club last week by James G. Lyne, editor of this paper. Mr. Lyne's talk, illustrated by some of the charts and pictures which he showed the club, appears in condensed form on page 20.

WHAT THEIR FRIENDS CAN DO: On the same program with Mr. Lyne was S. M. Felton, president of the American Railway Car Institute, who told about his organization's splendid efforts to promote better public understanding of the railroads' problems. Mr. Felton's remarks, which included some specific suggestions to other railroad suppliers, are summarized on pages 25 and 26.

WILL THE DOCTOR FOLLOW HIS OWN PRESCRIPTION? In its latest annual report, reviewed in last week's issue, the I.C.C. made a number of suggestions for improvement of the railroads' competitive position. By and large, these suggestions appear fundamentally sound—but whether or not they can be put into effect depends less upon what the commission says than upon what it does. A great deal might come of its recommendations if, as our leading editorial (page 17) concludes, the commission itself "is willing to revise its own thought processes in dealing with specific cases to conform to the changes in the railroads' circumstances, as it advises the railroads themselves to do."

ECONOMY THROUGH MECHANICAL ACCOUNTING: On page 41 is an excerpt from an address by G. F. Glacy, accounting vice-president of the B.&M. and the M.C. and chairman of the A.A.R.'s Accounting Division, emphasizing the importance to railroad management of modern accounting. And on page 30 is a description of one way in which an accounting department, using modern machinery, can produce the necessary results quickly, accurately and economically. The specific operation described is the New York Central's interline passenger ticket accounting at Detroit; the author of the article is G. H. Albach, N.Y.C. comptroller.

BRIGHT PROSPECTS: The outlook for comparatively large-scale purchases of railroad equipment continues bright as 1950's first month draws to a close. Arthur H. Gass, chairman of the A.A.R.'s Car Service Division, in his latest monthly review of the "National Transportation Situation," which is summarized in the News pages, joins the other authorities who have predicted more car and locomotive buying. And reports of orders placed and inquiries issued again bear out his and other cheerful predictions. The week's Diesel locomotive orders totaled 45 units, plus in-

quiries for additional units aggregating more than 100,000 hp., and these were accompanied by two small orders and a big inquiry for new freight cars.

TO SPEED FREIGHT SERVICE: Completion within a single year, by a single railroad, of two major freight classification yards, is bound to speed up that road's freight service and to improve its competitive position. And the Rock Island has obtained just those results from its new facilities at Armourdale, Kan., and Silvis, Ill. The Armourdale yard was described in this paper several months ago; the silvis yard is described, with illustrations on pages 34-38 of this issue.

FREIGHT-CAR ECONOMICS: Is it cheaper to repair freight cars, rebuild them, or buy new ones? Beginning on page 27 is the first installment of a two-part study of that problem by William Wyer, consulting engineer and formerly chief executive officer of the Central of New Jersey. In it, Mr. Wyer analyzes the factors determining the break-even point in maintenance expenditures, beyond which new cars are cheaper. In Part II of his study, which will appear in a subsequent issue, Mr. Wyer will apply those factors to a specific example.

IN THE NEWS: Dismissal by the I.C.C. of a million-dollar "reparations" claim against the G.N. and the D.M.&I.R.—Indications of reviving competition from coastal steamers.—I.C.C. approval of the Frisco's truck-leasing plan.—The first dividend in 19 years on Illinois Central common.—Monongahela Connecting and South Buffalo strikes.—An address by Erie President P. W. Johnston, who told the Mid-West Shippers Advisory Board of his concern over the lack of any adequate national transportation policy.—A blunt warning to the railroads that lower rates are needed on citrus fruits.—Emergency train movement by radio.—A C.&N.W. proposal for higher commuter fares.

ONE RECORD THAT WON'T BE ADVERTISED: Air lines have spent a lot of money in recent months in advertising—not always too accurately, either—comparative air and rail passenger fares. But we'll bet a Constellation against a Piper Cub that they won't do any bragging about what happened to their New York operations during the 24-hr. fog that shrouded the big city area on Wednesday of this week. The costly new city-built Idlewild airport was closed most of the day, except for a few foreign flights; Newark airport reported more than 100 delays, cancellations or diversions, and at La Guardia airport 327 out of 350 scheduled flights were said to have been cancelled or diverted—a dependability average of less than 7 per cent. It will add up, probably, to howls for expenditure of more tax dollars for navigational aids. Trains, incidentally, continued to run in spite of the fog—a performance so commonplace that it wasn't even mentioned in newspaper accounts.

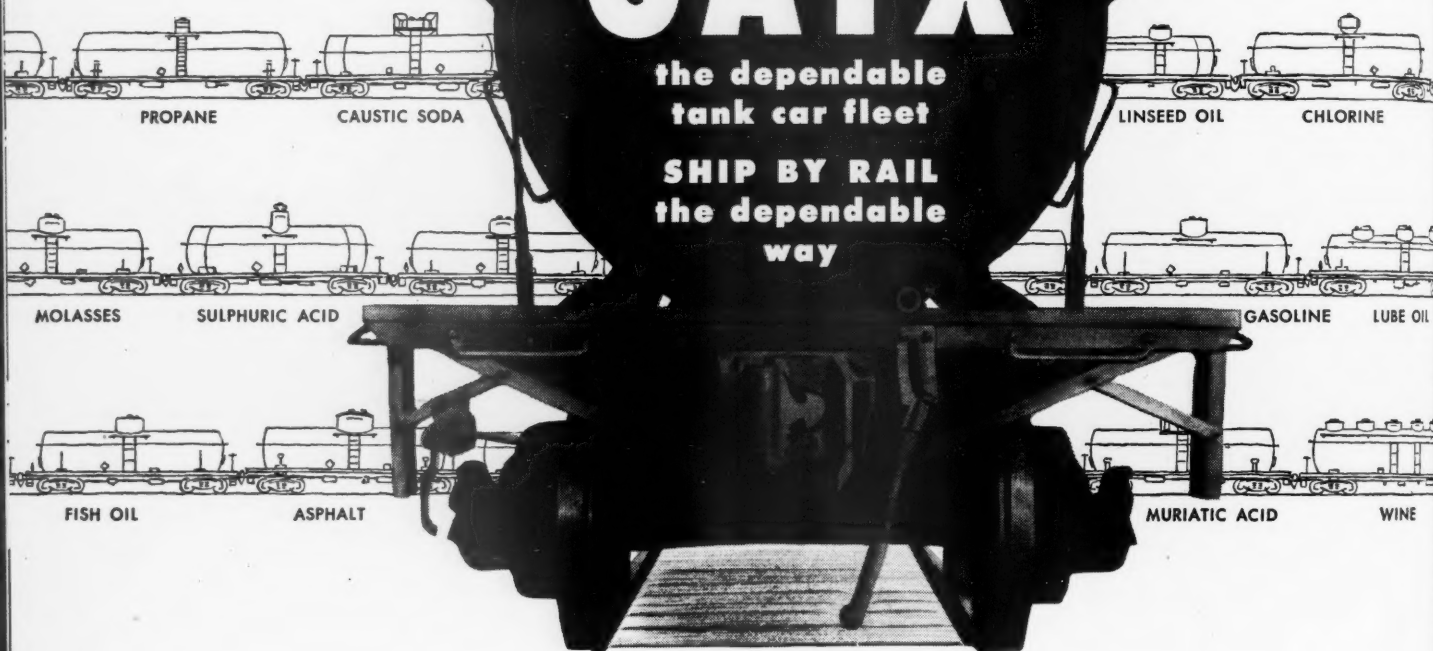
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WILL I. C. C.'S TREATMENT MATCH ITS PRESCRIPTION?

The prospect for improvements in railroad efficiency, service and earnings will be immeasurably brighter if the Interstate Commerce Commission will help the railroads carry out the advice it gives them in its annual report for 1949, which was reviewed in last week's issue of this paper. In its discussion of railroad rate increases and traffic diversion, the commission laid down precepts with which it would be difficult for railway management to disagree. But the railroads need more than advice as to what *they* should do; they also require some sign that their doctor himself intends to do *his* part in providing the treatment he has prescribed. The commission counsels "rationalization." How far will it go in aiding or permitting railroads to pursue this course?

The I.C.C. wants the railroads to reassert their "historic attitude" of inducing increased traffic by the lower rates made possible through increased efficiency. This is a sound precept, which great railroad men have always heeded whenever possible. It may be questioned whether, because rates have been increased, the railroads have necessarily departed from their "historic attitude," as the commission's advice seems to imply. Inflation does peculiar things to the truth of labels like "high" and "low"; and subsidies compound the confusion. Aside from this reservation, however, the commission's prescription is sound as a pre-New Deal dollar.

The I.C.C. admonishes the railroads to give spe-

cial attention to "high cost" or "high loss" areas of service, and suggests, as examples, terminal operations and passenger-train service. It repeats its advice of the previous year that the search for efficiency must involve "the whole gamut of railroad operations." Since the commissioners have decided, evidently, that the seriousness of the railroads' situation warrants full exposure and treatment of the hitherto "untouchable" portions of the business—such as commuter service—the clear implication is that railroad managers are invited to exercise their ingenuity over a much wider area than has been open to them in many a long year. To carry out the I.C.C.'s advice in full, they will need, as the I.C.C. itself points out, "the cooperation of the shippers, the public and regulatory agencies." The most important assistance must come from the commission itself.

Increased efficiency and lower costs come chiefly from the introduction of better tools. Historically, the most rapid advances in basic efficiency in the industry have followed or accompanied periods of unusual activity in making capital improvements. The I.C.C. says it is not unmindful of the fact that what it is prescribing for the railroads "often involves the provision of improved facilities or the incurrence of other costs." There is only one source of such funds—net earnings—either to be spent directly or as a basis for credit which will make it possible to sell securities to investors. The past performance of

the commission in its use of its power to control the pricing of railroad service has been neither zealous nor successful in securing earnings adequate to the need for them.

The railroads' scandalously low earnings during these postwar years of boom-time national income and output are ascribable primarily to the commission's dilatory and pinchfist handling of the railroads' pleas for overall general rate increases. All other industries meet their increased costs overnight in higher selling prices. The I.C.C. never permits similar increases to the railroads without prolonged hearings—with the result that, when at length some increases are permitted, traffic and competitive conditions may have altered so much that it is difficult to make the increases "stick."

The commission so delayed and reduced the relief which the railroads needed that, denied the plateau of revenues needed for subsistence, managements were unable to establish competitive individual rate cuts in time to head off diversion of traffic. Further general inflation of the railroads' inescapable costs is not unlikely as long as we have a government which places so great a value on high money wages. If it should occur, the I.C.C. will have opportunity to assist in its own prescription—the expeditious protection of the railroads' net income.

It must, however, be evident to everyone who follows traffic developments that the railroads' revenue requirements cannot be met—in the face of competition which is largely unregulated and with no part of it regulated more than nominally—by pro-rata increments in all rates "across the board." Realism in meeting competition requires that competition be met where it exists or is likely to arise, without making parallel concessions where no competition is possible. To cut certain rates to get business, without at the same time courting bankruptcy, the railroads must be able to adjust rates elsewhere to compensate. Trucks and barges do not compete with the railroads for everything they carry everywhere, and there exist numerous commodities, weight and size categories, and origins and destinations which the railroads' competitors would not take as a gift.

The Fetish of "Relationships"

It is here particularly that the commission's traditional habit of thought and action impedes and weakens its own prescription for what ails the railroads. By looking upon rates as (in the late Commissioner Eastman's words) "a floating mass of relativity," and insisting upon the sanctity of established relationships between commodities, between localities, and between carriers, the commission has hitherto made it difficult or impossible for the railroads to make the quick adjustments in competitive rates which other businesses make as a matter of course. In its zeal to protect small shippers (who must use common carriers) against large shippers (who

may, and do, resort to private fleets of barges and trucks), the commission has, with rare exceptions, denied the railroads the right to quote large-quantity rates to keep traffic on the rails—on the ground that such rates could not be used by the small shipper. The result: the big shipper takes his business off the rails, anyhow, and the small shipper is left to bear a larger proportion of the cost of keeping the railroads in business. Realism in railroad rate-making and adequacy of railroad earnings have been sacrificed to the fetish of ideal rate relationships, which cannot possibly exist any longer except as "paper rates," with so much of transportation service completely unregulated.

Take another example: Some years ago, gasoline moved at rates higher than those for crude oil, because it was worth more in the market. With the development of pipe lines for gasoline, as well as crude, the railroads sought to lower their rates on the former, to hold it. But when they did so, the commission insisted that highly refined and valuable products like butadiene and insecticides—for which there is no possibility of diversion to pipe line movement—be accorded similar rate bargains. Thus, in the name of sacred relationships, the railroads, in order to retain vulnerable traffic, must lower their rates and thereby dissipate their revenues, on traffic which would stay on the rails anyway.

Changes in Thinking Needed

Narrow insistence by the I.C.C. on commodity and locality relationships has largely prevented the railroads from making desirable cuts in rates to meet specific truck competition. The commission's recent activity in prescribing classification ratings and class rates, which govern for the most part the less-carload shipments which are most vulnerable to motor competition, is likely to worsen, rather than improve, the railroads' competitive position. One smart observer of transportation regulation in this country expresses the opinion that the commission's findings in these proceedings (Nos. 28300 and 28310) may leave the railroads, even more than they now are, "the unwilling monopolists of the expensive shipments and the unprofitable hauls—to the injury of the railway stockholders and the more certain detriment of the declared policy of Congress to 'improve the relations between and coordinate transportation by and regulation of, motor carriers and other carriers.'"

If the commission is willing to revise its own thought processes in dealing with specific cases to conform to the changes in the railroads' circumstances, as it advises the railroads themselves to do, then a great deal might come of the recommendations in its 1949 report. This paper will, however, have to see this philosophy popping up in rate decisions before it can believe that the commission has actually experienced a salutary and overdue change of heart.

CAN 1950 BE SAFER?

The report of Edward H. Davidson, director, Bureau of Locomotive Inspection, for the fiscal year ended June 30, 1949, which was reviewed in our January 21 issue, shows a substantial improvement in locomotive conditions over those prevailing during the preceding fiscal year. The number of steam-locomotive accidents and the number of persons killed and injured as the result of them have all declined by approximately one-third and the number of steam locomotive boiler explosions from 14 for 1948 to 5 — one of the lowest figures recorded.

As is set forth in the review of the report, the number of steam locomotives reported and the number inspected were only $8\frac{1}{2}$ and 9 per cent, respectively, less than for 1948. However, during the fiscal year covered by the report the total road-locomotive mileage in passenger and freight service combined was $17\frac{1}{2}$ per cent less and switch-engine hours $18\frac{1}{2}$ per cent less than during the preceding year. While the comparison on the basis of the amount of work done by the locomotives is less favorable than that on the basis of the number of inspections, the reduction in accidents and casualties is appreciably greater than that in steam-locomotive service.

Neither the number of accidents nor the casualties caused by failures of locomotives other than steam are large, but casualties increased 34 per cent while the number of accidents increased 19 per cent as compared with the previous year. The number of locomotives reported was up 29 per cent and the number inspected, 45 per cent. The types of accidents most frequently recurring on these locomotives are fires from various causes, and short circuits. Others, however, are worthy of attention and they fall in a category which may be loosely classed as house-keeping. These include engineroom floors wet with oil or water, cab seats which are poorly maintained and hazardous to sit in, doors which cannot be fastened open and create hazards when the locomotive is in motion, and defective steps and footboards. Such items are likely to become increasingly noticeable if maintenance standards begin to slip.

The proportion of locomotives inspected and found defective during 1949 is the lowest during the past six years — 8 per cent in the case of steam locomotives and 4 per cent in the case of locomotives other than steam. To maintain this high standard of locomotive conditions consistently year after year will not be easy, but it is a goal worth striving for.

Another goal worth a determined effort, even though the probability of its full attainment is not great, is a report of locomotive accidents and casualties in which no fatalities are recorded. To accomplish this would require locomotive maintenance forces, as well as the men most likely to be the victims of failures, to be constantly on the alert to prevent occurrences which, based on their own personal experiences, seem very unlikely to happen to them.

Most of the deaths are caused by accidents which involve the steam-locomotive boiler, and most of them involve some unwise chance-taking either by someone responsible for the condition of the locomotive or by a prospective victim. A little more self-discipline all around might bring the goal nearer.

ADVERTISE GOOD L. C. L. SERVICE

The daily newspapers are filled with department store advertising which publicizes not the whole store, but specific merchandise. Macy's doesn't tell the public, "We have a good store; come in and look around." It advertises specific goods. Might not concrete, item-type advertising be used to advantage by the railroads to sell good merchandise freight service—to publicize through, or overhead, car lines that regularly furnish truck-competitive service?

Shippers (at the November meeting of the Northwest Shippers Advisory Board) said they would like to have information of this kind. A special committee on less-carload transportation service recommended that the railroads publicize their through cars, and furnish shippers with lists thereof, so they will have this information readily at hand and up-to-date—looking to the interest of both the roads and the shippers. One big receiver of freight who had just learned that there was a through car from a point in the Carolinas direct to Minneapolis said that his traffic department had spent considerable time tracing freight shipped—variously routed—from this area, inferring that, had he known of this direct service, he would have specified for all shipments the routing over which the through car moves.

While a number of roads do publish L.C.L. schedules, the suggestions of the committee would indicate that the practice is not nearly so general as it might be; that the information is not adequately circulated; or that it is not sufficiently detailed or "angled." If this is the case, perhaps it would be worthwhile to allot some portion of newspaper and magazine advertising space for announcement of new merchandise cars, and to "plug" existing through lines.

Even though some roads regard L.C.L. traffic as unprofitable, certainly losses are likely to be reduced if additional tonnage is made available for cars already moving. Traffic gained through such advertising would largely be freight which now moves over the highways, much of which is the more remunerative merchandise which the truckers have "picked and chosen." A further factor to consider is that there is a rising generation of shippers who may come to think of truck shipment as instinctively as the generation before them thinks of rail routing. These are the shippers who might best be reached, and influenced, through the advertising of individual services.

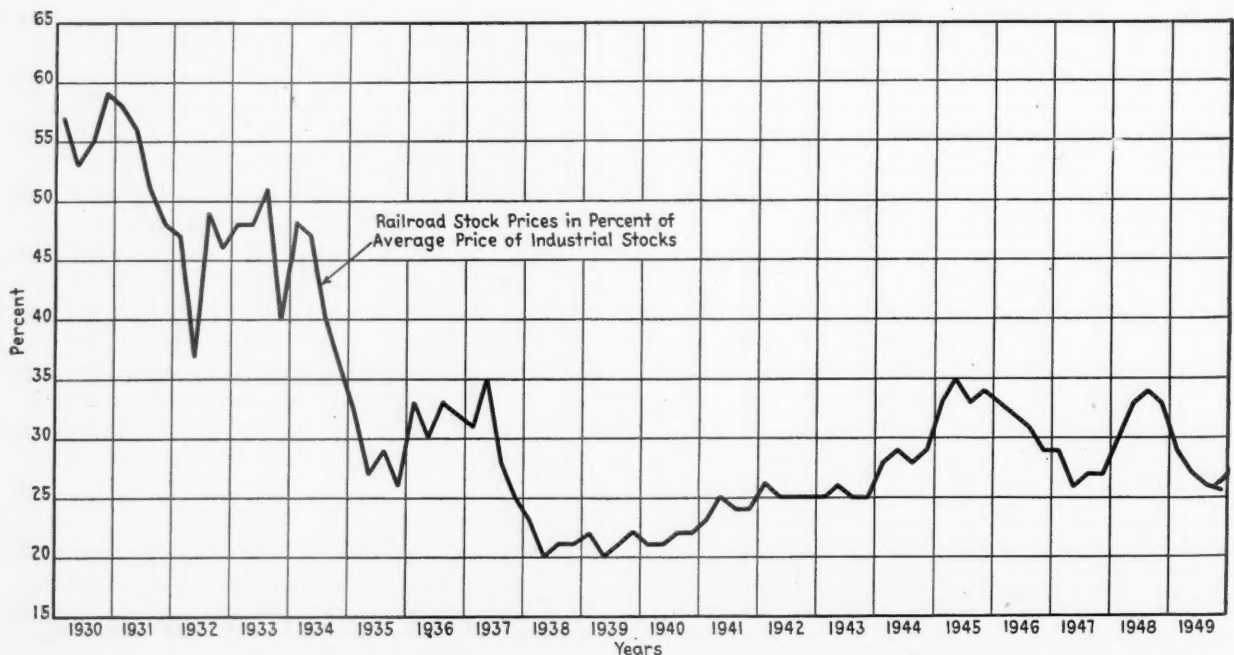
What the Railroads' *Ac* What Their *F*

Samuel M. Felton, president of the American Railway Car Institute, outlined that association's "fair play" publicity program in behalf of the railroads to the New York Railroad Club on the evening of January 19; and he advocated efforts similar to this by other friends of the railroads. This address was preceded by an illustrated talk by James G. Lyne, editor of *Railway Age*, in which a specific exposition was given of one of the principal problems—truck competition—at which the A.R.C.I. program is aimed.

Mr. Lyne emphasized that he was endeavoring to be entirely concrete in his discussion of the truck competitive problem, avoiding generalities; and also to set forth the situation entirely in terms of the "other fellow's" interests, under the assumption that nobody is particularly interested in the difficulties of the railroads as such. The papers by Messrs. Felton and Lyne are presented in condensed form hereinafter—all of the illustrations being taken from lantern slides used in connection with the talk on truck competition.

WHAT THE RAILROADS' *TRU*

The Brookings Institution recently issued a report entitled "National Transportation Policy." This report is authority for the statement that in the past quarter-century close to \$50 billion has been spent for highways. It goes on to say that, as late as 1947, the proportion of the total highway bill which was paid by users of the highways was only 60 per cent — leaving



This chart shows the decline suffered in the percentage value of railroad equities in terms of the Dow-Jones averages of industrial stock prices. From the point of view of the public interest, the "railroad problem" consists in the difficulty experienced by the railroads in securing in the investment market an adequate inflow of new capital—particularly for improvements to fixed properties—in competition with other industries which regularly earn a much higher return than the railroads do; and which are not confronted with the depressing factors of possible intensification of regulation and tax-aided competition. When a necessary service cannot raise needed capital from private sources, the likely outcome is socialization—which is certainly not in the public interest

ls' Acute Problem Is — ir Friends Can Do to Help

ADS' TRUCK COMPETITIVE SITUATION IS

By JAMES G. LYNE

40 per cent of the total bill to be extracted from general tax funds.

The nation's highway system is not treated as a public utility, but that is what it is in fact — a public utility in government ownership. The highway system performs a necessary public service, comparable to the supplying of water, gas and electricity. The only essential difference between highways and other public utilities is that the privately owned facilities used to provide water, gas and electricity are supported entirely by payments from water-users, gas-users and electricity-users. In the case of highway service, however, the highway-users, as a whole, pay only 60 per cent rather than 100 per cent of the total cost of highway service. The remaining 40 per cent of the cost is paid by general taxes. The highway utility enjoys a further advantage in that its tremendous plant investment is tax-exempt, while the plant of all other utilities is taxed like other improved property. Highway service is a public utility which is able in its pricing to *appear* to be a greater bargain than it actually is.

"Heads We Win — Tails You Lose"

As the result of activity by pressure groups, almost half the states have adopted constitutional amendments which forbid taking any of the fees collected from highway users and spending this money for general purposes of government, such as schools and police protection. The pressure groups working for this legislation call these amendments by the name of "anti-diversion amendments." No highway users' contributions are allowed to be used to lighten the burden of general taxation, but there is no amendment which prevents the "diversion" of general tax funds away from schools and police protection, and using such diverted money for highway improvements. A more accurate name than "anti-diversion" for these measures would be to call them "Heads-We-Win-and-Tails-You-Lose Amendments."

As a student of economics, I am able to see no justification whatever for treating highway service any differently from the way in which other utilities are treated. From a standpoint of sound economics, highway users

should be required to pay 100 per cent of the cost of highways and not the 60 per cent they do pay; and they should pay an additional sum on top of full costs — namely the equivalent of *ad valorem* taxation on the value of highway property. Until charges for highway use are thus increased, it cannot be said that we have a true market in highway transportation — with prices reflecting *all* costs plus taxes, as we have in the prices for electricity, fuel, clothing, housing, and other goods and services provided exclusively by private enterprise. Highway service — the way it is now paid for, so largely by taxation — is made to appear less expensive than it actually is; and thus it competes unsoundly for the public's dollar against all other business which does not have its hand in the public till.

The Source of Competition

I hasten to add, however, that in my specific assignment as a champion of the just merits of the railway industry, I am much less disturbed at what highway transportation is getting way with in tax aid than I am forced to be as an honest observer and reporter on overall economic policy. The railroads are not in any way injured by the political favors enjoyed by far the greater part of highway transportation. According to the latest available figures there are 43.9 million motor vehicles on American highways, of which 35.7 million are passenger automobiles and 200,000 are buses. Only a small fraction of these buses are engaged in competing with the railroads. The best proof that practically no competition exists between the private automobile and the railroad lies in the fact that almost every railroad man owns an automobile, although he can ride the trains free of charge. The railroads never say to a prospective passenger whose patronage they are soliciting: "Don't buy a car — ride the train." Instead, they assume that all their prospective passengers own automobiles; and they solicit train travel only for the longer trips.

The automobile has taken passenger traffic away from



The most serious attack on railroad revenues, and consequently their ability to raise new capital, comes from the competition of laxly-regulated and tax-aided long-haul trucks. It cannot be too strongly emphasized that the railroads are not concerned about payments made for highway use by operators of such trucks as the one shown in this picture. Of a total of 8 million trucks, over 7½ million are engaged in farm and local operations, which do not divert profitable freight traffic from the railroads any more than the 36 million passenger vehicles do

the railroads, to be sure — but, for the most part, it has been the kind of traffic that the railroads were not well adapted to handle in the first place; and they are well rid of most of it. The same may be said in very large degree of most bus traffic. Most buses either provide service which was never performed by the railroads (e.g., urban transportation, and taking children to school) or which cannot be performed as economically by rail as by bus (e.g., local passenger service where traffic volume is relatively light).

One Per Cent of All Motor Vehicles

Of the 8,000,000 trucks on our nation's highways only a small fraction — about 400,000, or 5 per cent of the total of all trucks, and about 1 per cent of the total of all automotive vehicles — are seriously competitive with the railroads for freight traffic. The nation's 7½ million farm trucks and delivery trucks do not compete with the railroads at all; and have, indeed, relieved them of a lot of extremely short-haul traffic which it was never economical for the railroads to handle anyhow.

But the competition of the 400,000 oversized trucks — the great big units, and tractor-and-trailer combinations — is very serious indeed to the railroads. These trucks are going out after the most profitable part of the railroads' long-haul freight traffic — and they are able to divert this traffic, not for sound economic reasons, but primarily because *they pay less in proportion to their use of the roads than the lighter vehicles*; and because they persistently violate the law by overloading.

If this insignificant percentage of total automotive vehicles — in fact, only 1 per cent of total vehicles, and 5 per cent of total trucks — were required to pay compensatory charges for highway use; were limited in size and weight to the loads the highways were built to sustain, with these limitations being strictly enforced, and violations adequately penalized — then all cause for controversy between the railroads and highway users would be eliminated. The operators of this 1 per cent of all automotive vehicles appear, however, to be politically powerful out of all proportion to their numbers.

They seem to do all the talking for the entire truck business of which they comprise only 5 per cent. When anything is said about limiting the weights and sizes of trucks to reasonable proportions, or requiring the operators of such mammoths to pay fees in proportion to their ton-mile use of the highways, it is the operators of these big tractor-and-trailer combinations who raise an outcry to the effect that the owner of every little farm or delivery truck in the country is being attacked.

The fact is that the interests of the operators of these big, long-haul vehicles are just as much opposed to those of other highway users as they are to the interests of the railways. In the first place, they are getting away with payment for the use of the highways at rates far less per ton-mile than that exacted from other highway users. Second, their heavy vehicles are principally responsible for highway damage, a cost which they do not defray themselves, but which is spread out over all highway users. Third, they are the only users of the highways who offer serious competition to transportation plant which is privately owned (i.e., the roadway and tracks of the railways). Thus they are the only highway users whose operations are undermining the principle of private ownership of fixed transportation property; and who are fostering the spread of socialization.

Businesses in this country which have from time to time attracted unfavorable attention and, ultimately, retributive legislation have fallen into this difficulty because they have neglected to disassociate themselves from the extremists who have attached themselves to such businesses. These well organized long-haul truckers are certainly the extremists in the highway users' camp — the 1 per cent tail wagging the 99 per cent dog, to the dog's serious disadvantage — both economically and in reputation.

In a report to the California legislature in 1948 a special legislative subcommittee stated that heavy vehicles were responsible for 52 per cent of total highway costs, whereas they were paying only 35 per cent of total payments by road users. Also in 1948 a firm of

The American Association of State Highway Officials recommends 18,000 lb. as the maximum weight per axle—but note in this table how political pressure from big-truck interests has succeeded in pushing the legal maxima up in most of the Eastern states

MAXIMUM LEGAL WEIGHTS ALLOWED COMMERCIAL VEHICLES

STATE	Maximum Axle Weight (lb.)	Gross Weight Heaviest Combination (lb.)	STATE	Maximum Axle Weight (lb.)	Gross Weight Heaviest Combination (lb.)
A.A.S.H.O.	18,000	71,900	N. J.	(23)	60,000
CONN.	22,400	50,000	N. Y.	22,400	63,750(5)
DEL.	20,000(6)	60,000(7)	PA.	20,000(29)	62,000
ILL.	18,000(11)	72,000	R. I.	22,400(30)	108,800
IND. (38)	18,000	72,000	VT.	N. R.	50,000
IND. (39)	22,400	72,000	VA.	18,000	50,000
ME.	22,000	50,000	W. VA. (33)	16,000	(36)
MD.	22,400(16)	67,500(5)	W. VA. (34)	18,000	(36)
MASS.	22,400(18)	50,000	W. VA. (35)	22,000	(37)
MICH.	18,000	N. R.	OHIO	19,000	78,000
N. H.	18,000	50,000			

NOTES

N. R.—No Restriction.

Where gross weight limit is based on formula, an overhang of 5 feet is assumed in determining "L".

All weights are for pneumatic tire equipment.

(5)—Approximate; based on formula $W = 750 (L + 40)$.

(6)—Coupled axles of a semi-trailer 48 inches or more apart limited to 18,000 pounds per axle. For any vehicle with coupled axles less than 48 inches apart, the load may not exceed 10,000 pounds per axle.

(7)—Gross weight of trailer and load not to exceed 22,000 pounds.

(11)—18,000 pound axle limit permitted on any road or street included in State Highway System of concrete or concrete base construction; on all other highways axle limit is 16,000 pounds.

(16)—For combinations, other than tractor-semi-trailers, axle limit is 18,000 pounds.

(18)—Tandem axles spaced less than 6 feet, not over 18,000 pounds each.

(23)—Wheel load specified for each tire size. Largest dual balloon tires permit 34,400 pounds as maximum axle load.

(29)—20,000 pounds per axle limited to two axle vehicles and tractor-semi-trailers. For other vehicles with three or more axles

8,000 pounds on front axle and 18,000 pounds on each of other axles.

(30)—Load on coupled axles less than 6 feet apart may not exceed 32,000 pounds.

(33)—These limits apply in agricultural areas.

(34)—These limits apply in industrial areas.

(35)—These limits apply in metropolitan areas.

(36)—Gross weight of a vehicle or combination on a major road in an agricultural or industrial area, shall not exceed the amounts determined by the following formulas for bridges of each of the three design loadings:

(a) $H = 20 : W = 1330 (L + 40)$

(b) $H = 15 : W = 1000 (L + 40)$

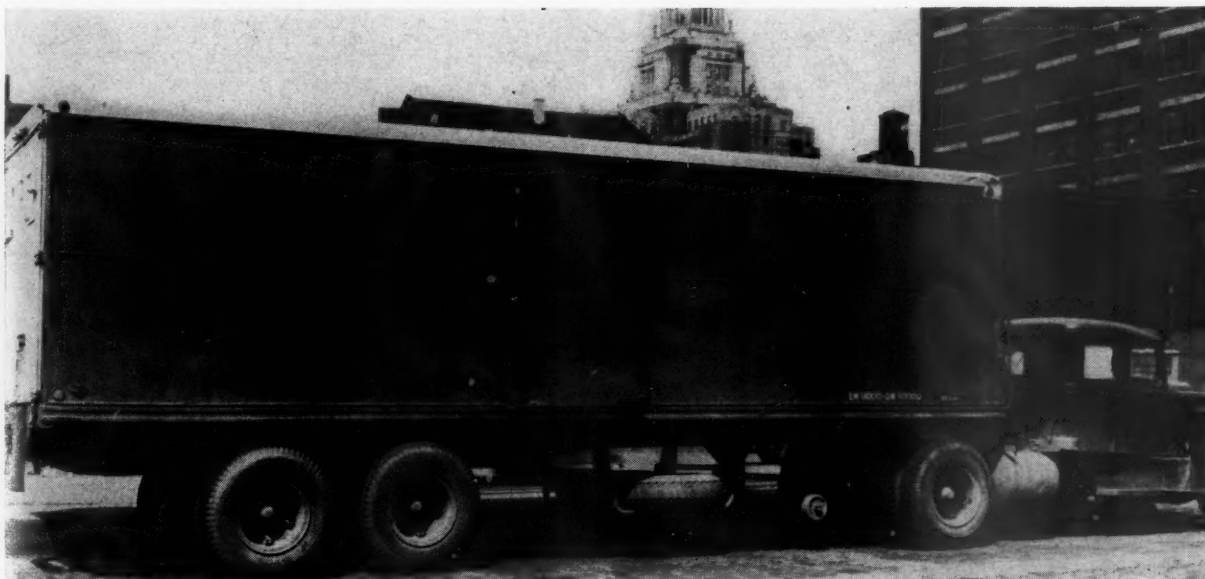
(c) $H = 10 : W = 670 (L + 40)$

Assuming L as 40 feet, the gross weight for these three classes of bridges are: 106,400 pounds, 80,000 pounds, and 53,600 pounds respectively.

(37)—Gross weight shall be within the safe capacities of bridges existing in the metropolitan areas.

(38)—Not heavy duty.

(39)—Allowed only on highways classified as "heavy duty". As yet no highways have been so classified.



Such big long-haul combinations as this—only one percent of total automotive vehicles—are the ones which injure the railroads; and they injure all other highway users at the same time, (1) by getting away with much lower charges per ton-mile than other highway users have to pay and (2) by doing road damage out of proportion to their weight

consulting engineers employed by the state of Illinois reported that the existing system of charges for road use in that state exacted an average of 18 cents per 100 ton-miles from passenger automobiles and only one-third as much, or 6 cents per 100 ton-miles, from the 55,000-lb. truck. These consulting engineers recommended that the license fee on trucks of a gross weight of 24,000 lb. and up be increased from an existing \$250-\$350 to \$765.

Highway Damage and Overloading

The fact is, moreover, that the ton-mileage test is highly favorable to vehicles of excessive weight for the simple reason that the big truck gives rise to highway costs — not in *direct* proportion to its ton-mileage, but in *greater* proportion than its ton-mileage. You could run a 3-ton motor vehicle over a piece of road a thousand times and not do as much damage to it as you would in running a 30-ton load over the same road just once.

Thomas H. MacDonald, U. S. commissioner of public roads, in an address to a road builders' convention in Washington last February, told of an instance in Missouri where highway traffic was detoured for six months onto a 30-mile stretch of concrete highway, put down 15 years previously and in good condition. Traffic using this detour included 1,200 to 1,500 trucks per day — the majority with axle loads over 14,000 lb. and a very few with axle loads over the legal limit of 18,000 lb. At the end of six months, with this kind of traffic, the pavement

was heavily damaged; \$5,000 a mile was spent to repair it; and even these repairs did not put it back in its original good condition. Said Commissioner MacDonald:

"Once the pavement is broken and distorted by even one excessive overload, all heavy truck traffic, including wheel loads within the legal limit, is a destructive force." "In some quarters," Commissioner MacDonald reported further, "it has been suggested that there be a gradual raising of axle load limits over a period of years. No policy would be more wasteful of public funds."

The American Association of State Highway Officials recommends 18,000 lb. as the maximum permissible weight per axle — but state after state in Eastern territory, under political pressure from the big truck operators, have authorized axle loads in excess of this recommended maximum.

And this isn't the end of it. In spite of the legalization of loads beyond the capacity for which the highways were built, many of the country's prominent operators of big trucks contemptuously flout even these liberalized weight limitations, as all readers of the daily newspapers are well aware.

Flagrant and repeated violation of weight limitations, which are already too liberal anyhow to prevent serious damage to our highways, are occurring daily all over the country; with fines so light in proportion to the profits gained from overloading that they constitute no effective deterrent. Moreover, in most states the enforcement machinery is so inadequate to the task that no



Here are two pieces of highway surface in Illinois. They are of precisely the same type of construction, laid in the same kind of country. The only differences are (1) that the piece of undamaged road on the left has been in service two years **LONGER** than the heavily damaged surface shown at the right; and (2) that the piece of road in the right-hand picture had heavy truck traffic on it and the other did not

one supposes that more than a small fraction of actual violators are apprehended. And you and I — private motorists and income taxpayers, together with the operators of light commercial vehicles — are footing the bill.

And all this doesn't finish the story. There is also the so-called license "reciprocity" which is enjoyed by interstate trucks in practically all of the Eastern states. "Reciprocity" means that, if a truck operator buys license tags in one state, he does not need to buy them in another, or else that plates are issued to him practically gratis. The visiting truck — which enters a state to use up its highway facilities and, if possible, take business away from the local taxpaying railroads — is given the same generous reception as is accorded to a visiting motorist whose car couldn't possibly damage the host-state's highways at all.

The rejoinder of the big truck operators to the presentation of such facts as the foregoing is always a kind of chant to the effect that "the truck pays its way and more." They also tell about the 5,000,000 people, more or less, the truck industry is supposed to employ. Of course, they are not talking about themselves at all, but about the 7,500,000 farm and delivery trucks — which undoubtedly, compared to the large vehicles, are paying more than their share of highway revenues.

"Utter Chaos" in Highway Fees

The plain fact is that there is utter chaos in the levying of fees for commercial use of the highways — with the license fee for the same vehicle, a 45,000-lb. tractor-semi-trailer combination, varying in the Eastern states all the way from \$67.50 to over \$700. It is possible that all of these states may be wrong in the fees they are levying, but it cannot be believed that they can all be right, with such a wide variation as this—which, incidentally, is exactly the kind of price-making you would expect when politics rather than economics and engineering is the dominant factor at work.

It is no wonder that such competition as this — so generously financed by operators of private automobiles, light trucks, and the general taxpayers — is having a serious effect on railroad revenues; and upon the con-

fidence of investors in the railroads' future. We have the I.C.C. figures on the intercity for-hire carriers, who did a gross business of \$1.6 billion in 1948 as compared to only \$620 million in 1941. And in the first nine months of 1949 their revenues were up 11 per cent while railroad freight revenues declined 9.4 per cent. These figures cover the for-hire carriers only — and do not include the private carriers. If only half of this long-haul traffic could be regained by the railroads, where it belongs economically, it would still be enough to represent the difference between a reasonably prosperous railroad industry and one barely paying its way.

1950-Model Railroads

The declining popularity of railroad investments, induced primarily by this kind of competition, has seriously curtailed the railroads' ability to make desirable and necessary improvements. It is just as much in the public interest that the American people be provided with 1950-model railroads as that they have 1950-model highways. As we all know, except for equipment certificates, the railroad industry has raised practically no new investment money in the market since 1931. The only money the railroads have to spend, except on equipment, has been the earnings they have withheld from stockholders. The railroad industry is not any more than half as good a customer of the manufacturing industry as it ought to be, and as it undoubtedly would be if it were given an opportunity to make earnings commensurate with those prevailing in most other industry. If a necessary public service cannot get the capital it needs to continue successful and efficient operation, experience has shown that government is always happy to oblige — at the price of socialization.

Is that what the American people want to happen to the American railroads? To be more specific still, is that what the automotive and petroleum industries want to happen to the railroads? For that matter, does even the long-haul trucking business want that to happen to the railroads — seeing what has happened in other countries to long-haul trucking when the railroads have been socialized?

WHAT SUPPLIERS CAN DO AND ARE DOING TO HELP

By S. M. FELTON

Ten months ago the car building industry formulated a plan of information and education designed to help create a "thought climate" in which the problems of the railroads might command an increasing amount of attention from the American people. The plan was presented to the railroads in the East, West and South for their counsel. This was gladly given and the plan was thus tailored to fit their ideas and suggestions.

After five months of intensive preparation, the program was started in August, 1949. Based upon the theme, "Fair Play for America's Railroads," it includes advertising in magazines of general circulation reaching a readership of 24,000,000; printed material; publicity; and other methods of public communication. It is aimed at reaching both the public at large and those thought leaders within the public who usually are most

important in influencing others. The objective of this "Fair Play" program is a positive one of presenting the railroads' position. At the same time, it has indicated the unfairness of some aspects of the present competitive picture.

This program has now been in effect long enough to enable us to gage its impact to some extent. We feel that it has been productive of excellent results, but it would undoubtedly be even more so if augmented and expanded with the assistance of other interested groups. The objective of fair play for the railroads is far more than a fight to preserve one industry. It is a fight for the preservation of free enterprise.

A Job for Everyone

The objective may be described as a modern, realistic and properly implemented transportation policy which will let the railroads earn a fair return while rendering the maximum of services they are best fitted to perform. Such an objective is too general to be satisfactory. What then is the *specific* remedy?

Is it de-regulation of the railroads so that they will have wide latitude to adjust rates up and down according to the demands of circumstances?

Is it a new government Department of Transportation which would weigh the needs of all forms of transportation and help to determine the proper place of each in the national transportation pattern?

Is it an act of Congress instructing the I.C.C. in unmistakable terms to see that the "fair return" provisions of the Interstate Commerce Act are made effective?

Is it the elimination of subsidies now given to the railroads' competitors, so that each form of transportation must be completely self-sustaining?

Is it a combination of several things — or a method of regulation, as yet undetermined, which might assure equality of opportunity for all the carriers?

We are aware that the railroads, individually and through their associations, are doing an increasingly better job of taking their story to the people. You have also been given evidence of what one affiliated group, the car builders, is doing. But, the task of educating the people is larger still.

It is one in which all of us connected or affiliated in any way with the railroads must take a part. What can we do?

We can talk to our employees — in meetings, through bulletins, or through house organs. This group should know that their jobs and livelihood depend upon the health of the railroads.

We can talk with our stockholders — in reports or special communications. Their investment is at stake.

We can talk with our own suppliers. They too have a definite dollars-and-cents interest.

We can talk with our bankers and other business associates.

We can talk to the people in our plant towns — the merchants and the civic leaders who mold public opinion.

We can contact our senators and congressmen and let them know where we stand on railroad matters.

We can keep in touch with our state legislatures and keep state legislators informed on railroad affairs.

There are hopeful signs that this problem in all its manifold aspects may be approaching a long-awaited turning point.

More and more attention is now being focussed on railroad problems and the competitive situation in transportation generally. As a result, the railroads may face their greatest opportunity in more than a quarter-century to reach or at least approach a solution to some of their most acute difficulties.

The Brookings Institution book entitled "National Transportation Policy" sums up the net effect of subsidies as follows: "Some forms of transportation enjoy the free or partially free use of publicly financed facilities. Others must finance their entire plant from operating revenues. As a result, competitive rates do not in all cases reflect the total real costs of performing the service. . . . Traffic therefore tends to be allocated in accordance with the amount of government aid enjoyed by each agency rather than on the basis of true relative cost and quality of service. . . . A superficially persuasive case can be made for government subsidies as the most dependable way to meet certain national security requirements. But in most instances, it will be found on close analysis that one subsidy begets another. In the long run, more problems are created than solved."

The Hoover report on reorganization of the executive structure of the government includes the observation that nowhere in the government is anyone empowered or obligated to look at the nation's transportation system as a whole to study all phases of our transportation needs and to determine how well government money for transportation is spent.

The Sawyer report to the President regarding a "Unified and Coordinated Federal Transportation Program" was issued a month ago. With reference to subsidies, this report states that transportation facilities have been provided without any prior regard for the relation between costs and benefits. It further states that, "There is considerable justice in the complaint of the railroads that their competitors are placed in a privileged position as the result of government promotional policies."

The newspaper and magazine press all over the country has been devoting increasing amounts of news and editorial space to the transportation problem with special emphasis upon the plight of the railroads, the importance of recognizing their major role in peace and war and the imperative need of equalizing competitive conditions for the common good.

When the chips are down, I am confident that the railroads will find that they have many able allies, including thousands of shippers and spokesmen for financial institutions. Naturally, among the allies of the railroads will be included the railway suppliers and associations in the supply industry, such as the Railway Business Association, whose community of interest with the railroads is clearly apparent.

WHO SAYS "THERE AIN'T NO FEATHERBEDDING"?

It has been estimated by the Missouri Pacific that approximately \$1,500,000 will be paid to the employees as a group. And, it is interesting to note that there is a large group of our members who will—per individual—receive sums ranging between \$15,000 and \$30,000.

—*Locomotive Engineers Journal*, published by the Brotherhood of Locomotive Engineers, December, 1949.

FREIGHT CARS—

Repair, Rebuild or Buy New?

PART I

A study, in two parts, of the factors determining the break-even point in maintenance expenditures beyond which new freight cars are cheaper



by WILLIAM WYER*

With the advent of the forty-hour week and the first serious decline in the volume of railway traffic since the war, railroad managements are redoubling their efforts to effect every possible economy in the operation of their properties.

The economics of freight car repairs offers a fertile field for profitable research and analysis, particularly as to the choice between a major repair or rebuilding operation and the purchase of a new car. The subject is particularly timely right now because the 40-hr. week has increased all freight car labor repair costs by 20 per cent, while for the time being at least freight car builders have not experienced any corresponding increase in costs.

Prior studies of this question have shown consistently that repair costs increase substantially as cars grow older, and conclusions have been reached that the economical point at which an old car should be replaced with a new one may vary between 15 and 30 years, depending upon many factors such as the type of car, its design, its usage, the maintenance policy of the owning carrier, or the proportion of its time on home lines.

While undoubtedly sound, these conclusions are not particularly helpful to the individual railroad facing a specific decision as to whether it should repair or retire an existing car. The application of some general rule-of-thumb based upon averages does not necessarily give it the right answer for its immediate problem. In contrast, what is here presented is a procedure or formula whereby the individual road can make the proper determinations based upon all pertinent factors and feel reasonably sure that it is doing the most economical thing.

An Adaptable Formula

The formula is one which can be adapted to the basic maintenance policy of each individual road. Many roads, for example, believe in giving their freight cars general overhauls at intervals of five to eight years, depending upon the condition of the individual cars at times when they are at home. Others keep their cars going by means of light or heavy running repairs until such time as the entire series seems in need of general

rebuilding. This usually occurs sometime between the fifteenth and twentieth year of the car's life and is a substantially more costly job than the periodic general overhauls.

A determination of the economics of replacing old cars with new would appear to become appropriate at the time of the third general overhaul to an existing freight car, or, if the road contemplates general rebuilding at some point between 15 and 20 years of age, before undertaking such rebuilding.

One side of our equation should reflect the annual cost over the reasonably foreseeable future of owning and maintaining the existing car. The other side should show the annual cost over a similar period of owning and maintaining a new car.

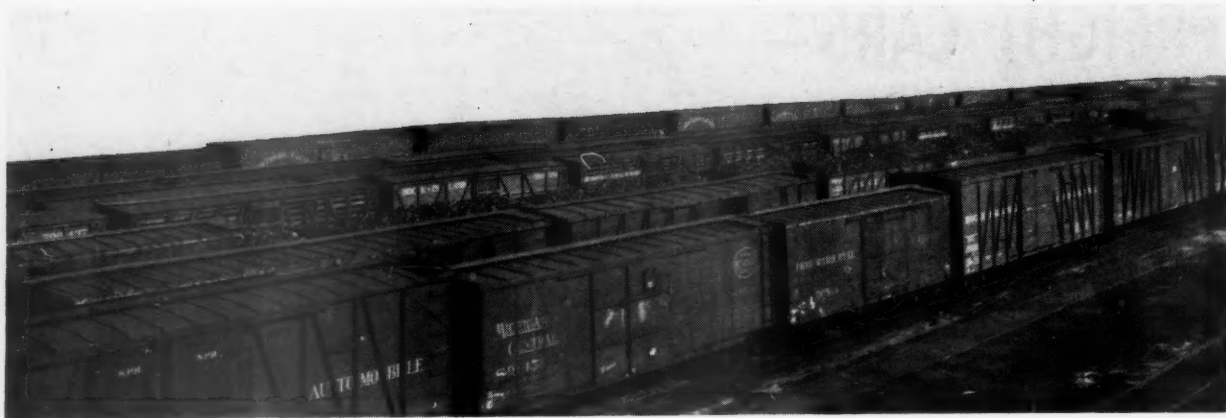
Where policy favors the general overhaul method, the information needed to establish the annual cost of owning and maintaining the old car is as follows:

1—Cost of general repairs immediately necessary.

This should be the result of an actual survey of the car by supervisory officers at the shop where the work would be done. The estimate should include all charges to Account 314, Freight Train Car Repairs, including shop and store expense, together with any charges to capital account immediately or subsequently necessary to keep the car in service over its contemplated future life. This would include such items as AB brakes. Applicable payroll taxes should be added to all labor. Company freight on material used should be added to the cost on an estimated out-of-pocket basis. A percentage should be added to all costs representing the company's experience with respect to personal injuries in freight car repairs or in the mechanical department as a whole.

The description of general repairs set forth above does not include all of the items properly allocable to the cost of repairing freight cars, such as supervision, repairs to shops and power plants, repairs to machinery, stationery and printing, depreciation, etc. In setting up this item in the formula, however, as well as all other similar items, we have tried to follow the principle of

*Consulting engineer. Formerly (1943-47) chief executive officer, Central of New Jersey.



including only such costs as will be clearly and directly affected by the decisions resulting from this study. If in any case costs other than those here designated would be affected, it would be not only proper but necessary to take them into consideration.

2—The probable life before the next succeeding general repair. This estimate should be based upon actual experience of the company in question as to the life between the third and fourth general overhauls on this or similar types of cars.

3—The annual amount of general repairs chargeable to the cost of maintaining the existing car in service is (a) the average annual amount of the contemplated expenditure, spread over the probable remaining life on a straight line basis, plus (b) interest at the going equipment trust rate for that company on the undepreciated portion of the cost of general repairs. Over the entire estimated remaining life of the car this undepreciated portion will be one-half of the original repair expenditure.

4—The annual average running repairs during the remaining period of life. This estimate should be based as far as possible on company records, with an appropriate allowance for the increased repair cost ratio on older cars. It should include payroll taxes, personal injuries and company freight.

5—Estimated annual property taxes where these can be directly related to the possession of the car. However, where property taxes do not vary with changes in the owning company's investment, but depend upon net income, net railway operating income, or upon judgment of assessors not resulting from the application of any known precise formula, they should be ignored.

6—Estimated annual insurance.

7—Estimated recoverable value if now scrapped. In estimating such value all parts should be considered at their realizable scrap value except such as can be used in repairs to other existing equipment, which should be valued at second-hand prices. Interest on the estimated recoverable value should be computed at the same rate used in Item 3 above.

8—Estimated average number of days per year during which the overhauled car would be available for service, having in mind the probable time it will spend on repair tracks between overhauling and the end of the period set up in Item 2.

9—Annual depreciation charges on existing car.

The daily cost of owning and maintaining the old car would be the sum of Items 3, 4, 5, 6 and 7, divided by Item 8. Item 9 is not utilized at this point in the calculations because it does not involve an actual cash outlay, but is needed later in connection with income tax problems.

Rebuilding Costs

In the case of railroads whose policy favors rebuilding, only minor variations appear in the information which must be compiled.

In Item 1, the estimated cost of rebuilding should reflect the same charges specified in the case of general overhauling, plus estimated cost of engineering in connection with the rebuilding program. If an entire series of cars is to be rebuilt and the amount of work to be done on each car is substantially identical, regardless of its individual condition, the cost for the entire series properly can be estimated as a unit. If there is to be a substantial variation in the amount spent on individual cars, however, estimates for each car should be developed as previously described.

In Item 2, the "added life" estimate should reflect the total number of years between rebuilding and retirement. If company policy contemplates a general overhauling within this period, the cost of the overhaul should be included in Item 1.

All the remaining items are identical with those previously indicated in the case of general overhauling, as is the method used in determining the annual and daily cost.

The New Car

The information needed to weight the right-hand scale of our balance — the daily cost of owning and maintaining a new car — should be developed as follows:

1—Original cost. In calculating this cost there should be deducted from the builder's price the purchaser's estimated net profit on any material used in construction of the new car which would move over purchaser's railroad. In computing such net profit, costs of handling should be computed on an out-of-pocket basis. Freight on the finished car should be added to the cost to the extent that it appears likely that it will be actually

charged, having in mind the possibility of loading the finished car commercially before it reaches the purchaser's rails.

2—**Estimated life of new car (A).**

3—**Estimated life remaining in old car** due for general overhauling or rebuilding (B).

4—**Interest on the cost of the new car** should be computed on the basis of 2 percent of such cost multiplied by the following factor:

$$\frac{1 + \frac{A - B}{A}}{2}$$

The A and B in the factor refer to Items 2 and 3 immediately above. The factor is necessary to insure that the interest charged against the cost of the new car is computed on the basis of the higher undepreciated cost of the new car during the earliest years of its life — the number of such years being equal to those during which the old car would continue in existence if it were to be repaired or rebuilt.

5—**Depreciation on the new car** based on I.C.C. rates in effect.

6—**Estimated average annual repairs** on the new car for Period B. Where comparison is being made with a car due for general overhauling, Period B will not ordinarily extend to the point where the new car is due for its first general overhauling so that the average annual repairs to the new car would be those expected during the early years of its life, not including any part of the cost of its first general overhauling. Even though the old car might eventually receive another general overhauling after the one immediately contemplated it would not seem to be necessary to extend the comparison beyond the effect of the general overhauling immediately contemplated since any such subsequent general overhauling of the old car would undoubtedly cost substantially more than the first general overhauling of the new car, and the running repairs to both cars would increase in this second cycle as compared with the first cycle under immediate consideration.

When rebuilding is involved, the annual repair charge similarly should not allow for possible rebuilding of the new car after a number of years equivalent to Period B. However, if general overhauling of the new car is contemplated within such a period, the estimated average annual repairs of the new car should be the running repairs up to date of general overhauling plus a proportionate part of the estimated cost of general overhauling applicable to Period B plus the running repairs for that portion of Period B extending beyond the date of general overhauling, all divided by the number of years in Period B. For example, if Period B is estimated to be nine years and it is estimated that the new car would be given a general overhauling in seven years which would carry it through another seven years, the average annual repairs of the new car would be the running repairs during the first seven years plus 2/7 of the estimated cost of general overhauling plus the estimated running repairs of the eighth and ninth years, all divided by nine.

In making the various estimates required in connection with repairs full consideration should be given to features of design, such as multiple-wear wheels,

special types of draft gear, type of body construction used and roller bearings, which may affect maintenance costs as compared with those experienced in the past. Repair costs otherwise should be consistent with the repair costs estimated in connection with existing cars, having in mind the type, design and age of the various cars involved.

7—**Property taxes should be computed on the same basis** as suggested in connection with existing cars.

8—**Estimated annual insurance.**

9—**Estimated average number of serviceable days** per year for the new car during Period B.

The daily cost of owning and maintaining the new car would be the sum of Items 4 to 8 above, inclusive, divided by Item 9.

Income Tax Effect

After the costs of owning and maintaining old cars and new cars have been determined it probably will be desirable to give consideration to the effect of the purchase of new cars upon the company's income taxes.

The elements of cost as outlined above should be reassembled to list for both the old car and the new car under consideration the average annual deductions for income tax purposes which would be obtainable under the two procedures.

In the case of cars to be rebuilt, if any of the cost of such rebuilding is chargeable to capital account or if any other capital items are included by reason of being necessary to keep the car in service during its remaining life, these items are of course not deductions for income tax purposes.

It may be found that the deductions for income tax purposes which would be obtained through continued maintenance of the old car are greater than the deductions which would be obtained through the purchase of a new car. In such event the difference represents an increase in taxable income which would be brought about by the purchase of the new car, and if the company expects to be paying income taxes over the period involved, the appropriate income tax percentage should be applied to this increased taxable net income. Conversely, it might be determined that there would be a decrease in income taxes as a result of purchasing a new car.

If a company has carry-forward losses which are available to it for the next two or three years, the income tax effect naturally should not be considered during such period as carry-forward losses are available. Where overhauling is involved, roads in bankruptcy or in weak financial condition can usually get a relatively greater advantage through the purchase of new equipment than a road which is paying income taxes.

If it should become possible to acquire new freight cars on a rental basis, as is now under consideration in some quarters, the economics with respect to income taxes will be substantially changed and it is possible that the acquisition of new cars as compared with maintaining old ones will in practically all instances reduce income taxes.

[In Part II, to appear in a subsequent issue, the factors here discussed are applied to an example.—Editor]

Economy in

NEW YORK CENTRAL SYSTEM
DAILY REPORT OF INTERLINE TICKET SALES

OFFICE NO. **1199** OFFICE NAME **NEWARK N.J.** DATE **OCT. 28, 1949** PAGE NO. **3** AGENT

TICKET SALES										CREDIT ITEMS									
FORM	CLERK'S NO.	CLERK'S NAME	AMOUNT	TAX	STATION	ROUTE	CL.	PREF.	SUF.	STATION	ROUTE	CL.	PREF.	SUF.	STATION	ROUTE	CL.	PREF.	SUF.
123-25	11182	11	19 74	2 95															
10-162	11108	01	8 70	3 11															
11721-0-3	9604	06	20 00	3 00															
11111-12	11112	11	359 30	53 90															
11111-6	35	11																	
11111-0	20957	60	281 07	35 17															
TOTAL										106 52 15 37									

In the office of its auditor of passenger accounts at Detroit, Mich., the New York Central has gained substantial economies through the use of electric punched-card accounting machines to mechanize its interline passenger ticket accounting. With this new system, which is based on frequent and simplified reports from agencies instead of the old monthly reports, other advantages too have accrued to the railroad, viz.: (1) An equalization of the flow of work throughout the month; (2) accounting is advanced much closer to the date of the transaction; (3) since there are no monthly reports (except from very small stations) late receipt of reports is almost unheard of, with the result that there is no delay in the auditor's work; (4) interline ticket stock records are transferred from a manual posting to a machine operation; (5) unit card punching permits greater flexibility in the use of mechanical equipment to prepare reports, records and statistics; (6) better records; and (7) less work for agency forces.

Several phases of this process, to the best of our

Fig. 1 above—Fig. 2 below

2028NEWARK 31995510210 12126 TORO 01974 83182

REPORT DATE	STATION	SELLING STATION	CODE	TICKET FORM	DESTINATION	AMOUNT COLLECTED	TICKET NUMBER	NYC REVENUE	FOREIGN ROAD	REMARKS
11/11/49	NEWARK	NEWARK	10	32	TORO	648 81	10257			

2028NEWARK 3199 10 32 648 81 10257

REPORT DATE	STATION	REPORTING STATION	ENTRY	NO. OF TICKETS REPORTED	NO. OF CARDS TOTAL	AGENTS REPORTED	SALES AMOUNT	RT PA CORRECTED AMOUNT	OTHER ORDERS CORRECTED AMOUNT	GOVT. ORDERS CORRECTED AMOUNT	TOTAL CORRECTED SALES AMOUNT	ADJUSTMENT
11/11/49	NEWARK	NEWARK	10	32	648 81	10257						

1049 NEWARK 31993\ 80460 42303423060003

ENTRY DATE	INVOICE NUMBER	SELLING STATION	CODE	TICKET FORM	TICKET NUMBER	TRACE	LOCATE	TICKET NUMBER	TRACE	LOCATE	TICKET BLOCK NUMBER	CURRENT MONTH CLOSING	STOCK CLOSING	BALANCE OF TICKET	TICKET USAGE	REMARKS
11/11/49	NEWARK	NEWARK	10	32	648 81	10257										

Interline Ticket Accounting

New York Central mechanizes proration of interline passenger revenue through use of electric punched card machines — Control featured

By G. H. ALBACH
Comptroller, New York Central System

knowledge, never before have been used by any major railroad, and are wide departures from our former agents' monthly reporting plan, where the auditor was forced to apportion revenue manually on a supplemental sheet attached to the agents' reports. In the development of this process the New York Central studied the operations of other railroads and the practices used by commercial companies in performing some of their accounting work.

Under this new system, ticket offices transmit ticket stubs, with a simplified ticket report (Fig. 1) to the headquarters of the auditor at Detroit. Larger offices

transmit reports triweekly, medium-sized offices weekly and small offices monthly. (Reports from the larger offices account for about 88 per cent of the interline tickets issued.) We have found that this schedule of reporting spreads the flow of work evenly through the month, eliminating the peaks and valleys which existed under the former monthly report plan.

When ticket stubs reach the a.p.a. office, receipt is recorded on a received sheet, and a routing sheet is attached to the report. This sheet goes with the report all through the office, with each clerk who handles the documents recording the date of handling and his

NEW YORK CENTRAL RAILROAD														SP-26 (REVISED)	
DISTRIBUTION SHEET							INTERLINE REPORT								
STATION	FROM STATION	DESTINATION STATION	TICKET NO.	REMARKS AUTHORITY	TICKET FORM	IN CAR	TICKET NUMBER	CLASS	OTHER AMOUNT	CORRECT FARE	* RATE	TOTAL FOR RD. PROPORTIONS	ROAD CODE	FOREIGN ROAD AMOUNT	
3199	CHICAGO	L ANGELECA	2		XF021	0 3	9604	5		1000		1000	145	509	
3199	CHICAGO	L ANGELECA	2		XF021	0 3	9604	5					721	491	
3199	CHICAGO	L ANGELECA	2		XF021	0 3	9605	5		1000		1000	145	509	
3199	CHICAGO	L ANGELECA	2		XF021	0 3	9605	5					721	491	
3199	NEWARK	MILWAUKEWI	2		EX455	0	29957	39		6925		385	140	385	
3199	NEWARK	MILWAUKEWI	2		EX455	0	29958	39		6925		385	140	385	
3199	NEWARK	OKLAH CYOK	4		EX455	0	29959	30		10257		4410	22	4410	
3199	NEWARK	N FERRISVT	2		80	46C	42302	20		870		420	69	98	
3199	NEWARK	N FERRISVT	2		80	46C	42302	20					670	322	
3199	NEWARK	TORONTO ON	2		121	26	83182	10		1974		265	774	130	
3199	NEWARK	TORONTO ON	2		121	26	83182	10					105	135	
3199	NEWARK	S FRANCICA	RS	7358	RS	12	44912	30		17965	*	6540	145	2507	
3199	NEWARK	S FRANCICA	RS	7358	RS	12	44912	30					721	4136	
3199	NEWARK	S FRANCICA	BL	7358	RS	12	44912	30					721		
3199	NEWARK	S FRANCICA	BS	7358	RS	12	44912	30					721		
3199	NEWARK	S FRANCICA	BL	7358	RS	12	44912	30					22	4719	
3199	NEWARK	S FRANCICA	BS	7358	RS	12	44912	30					22		
3199	NEWARK	S FRANCICA	BL	7358	RS	12	44912	30					721		
3199	NEWARK	S FRANCICA	BL	7358	RS	12	44912	30					721		
3199	NEWARK	S FRANCICA	BL	7358	RS	12	44912	30					22		
3199	NEWARK	S FRANCICA	BL	7358	RS	12	44912	30					540		
3199	NEWARK	S FRANCICA	BN	7358	RS	12	44912	30					540		
3199	NEWARK	S FRANCICA	RS	7358	RC	6	36	30					926	63	
3199	NEWARK	S FRANCICA	RS	7358	RS	12	44913	30		17965	*	6540	145	2507	
3199	NEWARK	S FRANCICA	RS	7358	RS	12	44913	30					721	4136	
3199	NEWARK	S FRANCICA	BL	7358	RS	12	44913	30					721		
3199	NEWARK	S FRANCICA	BS	7358	RS	12	44913	30					721		
3199	NEWARK	S FRANCICA	BL	7358	RS	12	44913	30					22	4719	
3199	NEWARK	S FRANCICA	BS	7358	RS	12	44913	30					22		
3199	NEWARK	S FRANCICA	BL	7358	RS	12	44913	30					721		
3199	NEWARK	S FRANCICA	BL	7358	RS	12	44913	30					721		
3199	NEWARK	S FRANCICA	BL	7358	RS	12	44913	30					22		
3199	NEWARK	S FRANCICA	BL	7358	RS	12	44913	30					540		
3199	NEWARK	S FRANCICA	BN	7358	RS	12	44913	30					540		
3199	NEWARK	S FRANCICA	RS	7358	RC	6	37	30					926	63	
64881			1	64881	3199							54624		30715	

Fig. 3. For office record purposes this report is prepared and balanced for each station at the end of the month. This statement is listed from the punched cards in ticket number order, except for combination sale and exchanged tickets which are grouped by sequence number control. Thus we have complete detail on each ticket and the distribution of revenue on each one. Currently redeemed tickets also are shown on this form. Cards punched for redeemed tickets are automatically matched, selected and balanced with the original ticket cards and the redeemed ticket cards substituted

NEW YORK CENTRAL RAILROAD
INTERLINE TICKET STOCK RECORD

MONTH OCT 1949

NYCS
100-75

DATE STOCKED		STATION OR INVOICE NUMBER	STATION NUMBER	TICKET FORM	TICKET NUMBERS		TICKETS USED	STOCK CLOSING NUMBER	TICKETS ON HAND	REMARKS
MO.	YR.				COMMENCING	CLOSING				
10	49	NEWARK	3199	8046C	42302	42303	1	42306	3	
10	49	NEWARK	3199	12126	83182	83183	1	83185	2	
10	49	8006656	3199	EX 455U	29957	29960	3	29960		
10	49	NEWARK	3199	EX U21U 3	9604	9606	2	9606		
10	49	NEWARK	3199	RE 12	44912	44914	2	44914	4	
							9		9	18

Fig. 4

initials. Thus accounting control is stressed, from receipt of source documents to completion of the reports, and we have a check on the location of the original data at all times. It is easy, too, to be informed of the rate of progress with which data are being handled, which gives us better dollars-and-cents control of the operation.

First Cards Punched

In the auditor's office, the first stop for the documents after their arrival is at the division and coding group where codes (for routes) are applied and fares checked simultaneously, exchanges handled, and credit items verified. The code numbers form the basis for automatic machine apportioning. On infrequent or occasional sales for which code-number processing is not provided, a "short" slip is attached to the ticket stub and the division is then determined manually and entered on this slip.

The ticket stubs with corresponding agents' reports are next checked into the machine room, where a card (Fig. 2, top) is punched for each ticket stub by alphabetic printing punch operators. Also, a similar card is

punched for each credit item such as government, Rail Travel Promotion Agency and other billable orders, as well as a control card (Fig. 2, next to top) for the totals on agents' reports. Mechanical verification assures that data appearing on original documents are correctly punched.

The ticket stubs are then tabulated and balanced with the agents' reports immediately, and totals by classes of business are established and recorded on the control cards for subsequent balancing operations. Under this plan all necessary information is furnished to the machine room personnel — with the original documents — and key punching completed in one operation. Full custody and responsibility rests in that department from the time the original documents are received in the machine room until the reports are processed. Ticket stubs are returned to agents about every ten days.

The greater volume of interline ticket revenue is mechanically apportioned by use of pre-punched master division cards (Fig. 2, second from bottom) and the collator and reproducing punches. The N.Y.C. uses two kinds of master division cards, namely, station and gateway master cards. Both are applied mechanically



Fig. 5. Part of the machine room in the office of the auditor of passenger accounts at Detroit

to the individual ticket sales card by the use of the collator and the reproducing punches.

A station master card is punched with the proper division of total revenue among the foreign roads participating for each interline haul from that New York Central station. (It is used from any station where the through fare is not based on a gateway.) The gateway master division card controls the division of fares applicable to roads participating in the haul through any given gateway, where the fare is made on that gateway. One gateway master card applies from any N.Y.C. station from which the total fare is based on the gateway. Thus, one gateway master card frequently accomplishes the purpose of a hundred or more station master cards. This reduces greatly the number of master division cards required and extends the automatic application of divisions to ticket sales for all stations, whether large or small.

The distribution of interline revenue for the month — i.e., reports to foreign roads, N.Y.C. proportions, and other primary accounts — is balanced with the total already obtained by classes of business such as commercial, government, prepaid orders, etc. as established by control card totals.

The master division cards, together with the accuracy obtainable from the automatic application of percentages, are one of the major features of our program. In addition, through the use of calculating punches, these master cards will facilitate mechanical computation of fare changes. All New York Central reports in connection with interline traffic, such as baggage and statement of corrections, are mechanically prepared on accounting machines as part of this procedure.

While we feel that the procedure described is modern in every sense of the word our research directed toward further improvement is continuing. For example, interline ticket stock records, which heretofore have been maintained manually, will be transferred to a machine operation soon. (See stock yard, Fig. 2, bottom and stock record, Fig. 4.) Also, we are studying the possibility of revising ticket forms to provide, among other things, the printed code number on the stub. This should improve our overall operation still further.



A THIRTY-ONE PER CENT INCREASE IN SEATING CAPACITY compared with single-deck coaches is attained in a four-coach, double-deck train recently placed in service between Charing Cross station, London, and Dartford, by the Southern region of British Railways. Designed for multiple-unit electric operation, the coaches are of light-weight, all-steel construction, with lower floors of laminated plywood and inner structure in the upper compartment of aluminum and strip steel. Upper and lower seats are also made of bent plywood. Due to the fact that all British stations are equipped with high-level platforms and clearances are more restricted than in other countries, none of the existing or proposed types of double-decker cars in other countries — including the United States — were considered practicable for British service.

THE HIGH COST OF "CHEAP" TRANSPORTATION

The real cost of river transportation is not just the charges for owning, loading, moving and unloading the vessel. These merely are the charges which the shipper pays. The real cost, however, includes also the cost of providing, maintaining and operating the waterway channels used by the vessel.

Vessel Figures Not Available

Accurate figures are not available as to such real or total costs, since in most cases the vessel costs are not publicly available. There is information, however, on the cost to the public to build and maintain the channels on which the vessels move, free of charge and without recompense to the taxpayers.

Some of these costs, to June 30, 1948, as to certain parts of the Mississippi River system appear in the following tabulation, compiled by the Association of American Railroads:

	Mileage	Cost per Mile Cost of Construction	Annual Maintenance*
Mississippi River, from Minneapolis to mouth of Missouri.....	663	\$303,851	\$3,482
Mississippi River, from mouth of Missouri to mouth of Ohio.....	195	247,605	5,048
Mississippi River, from mouth of Ohio to Baton Rouge, La.....	737	845,160 (a)	Not Available (see note a)
Missouri River, from Kansas City to mouth.....	386	232,891	5,235
Missouri River, from Sioux City to Kansas City.....	375	250,876	5,246
Illinois Waterway.....	326	226,958 (b)	2,892
Ohio River, from Pittsburgh to Cairo.....	981	146,489	5,289
Monongahela River.....	128	126,381	6,023
Allegheny River.....	72	254,865	3,376
Kanawha River.....	91	298,253	2,264

*Average of fiscal years 1944-48; includes also the operation and care of locks and dams.

(a) Flood protection costs also included in this section.

(b) Includes expenditures of approximately \$44,750,000 by State of Illinois and Chicago Sanitary District.

New Terminal Speeds Freight Service—

Long an important freight classification point, the Chicago, Rock Island & Pacific's freight terminal at Silvis, Ill., has now assumed even greater importance in stepping up the tempo of the road's freight service as a result of its recent conversion from a flat-switching yard to a modern hump-retarder classification yard. The new yard at Silvis was the second hump-retarder yard to be completed and put into operation by the Rock Island during 1949, the first being at Armourdale, Kan.* The effect of these two freight terminals has been to speed up the road's freight service as much as 30 hours in some cases, depending upon the origin and destination of shipments, thus placing the Rock Island in a more favorable competitive position.

Built at a cost in excess of \$3.5 million, the new Silvis yard will be able to handle the classification of 2,500 cars daily, or 5,000 cars if counted on an in-and-out basis, and will pass cars through this terminal in an average of four hours less time than was formerly required by the flat-switching yard. Also the establishment of the new facilities at this point is especially helpful in relieving congestion and eliminating car delays in the terminals at Chicago, Des Moines, Iowa, Council Bluffs and Cedar Rapids, where business volume had outgrown the yard facilities, with the result that detailed classification had become a burdensome problem. By eliminating the switching of all outbound traffic at the road's Burr Oak yard at Chicago and doing this classification at Silvis, it became possible to mine-run freight cars out of the congested Chicago yard and thereby to expedite the departure of some cars as much as 10 to 12 hours. Moreover, the better segregation of cars at Silvis simplifies and further reduces the time of switching at the other points mentioned.

Substantial Economies Effected

In addition to expediting freight traffic, substantial economies in operating costs will be effected by the new Silvis yard, which, it is estimated, will return the cost of the investment in a little more than two and one-half years.

While certain operating expenses will be added at Silvis for retarder operation, yard fieldmen,

flood-lighting, and the maintenance and depreciation of the new facilities, a reduction of more than eight times this added cost will be effected in overall operating expenses through the elimination of switch tenders and switch-engine tricks; the better utilization of road locomotives; decreased terminal detention payments; and a reduction in payments for personal injuries, for damage to lading and equipment, and for claims for delayed shipments.

The old flat yard at Silvis lay in an east-west direction and consisted of three track groupings, i.e., an eastbound yard laid end to end with a westbound yard, and, on the north side of these yards, a receiving-and-storage yard. These yards were flanked on the south by the road's double-track main line and on the north by a large engine terminal, together with back shops, extensive car-repair facilities and rip tracks related to the terminal. A small yard office was located near the west end of the terminal, while a large two-story yardmaster's office was located north of and between the eastbound and westbound yards. There was also an ice house and a 760-ft. high-level icing dock situated near the yardmaster's office north of the yards.

Converted to Receiving Yard

The capacity of the three yards totaled 2,780 cars, and, since most of the tracks were limited in length, a great deal of time was lost in doubling trains on arrival or departure. A daily average of 1,656 cars was handled through the terminal during the last seven years, but the yard arrangement was such that switching movements frequently conflicted with one another, causing lost time, overtime and a high cost per car handled. A study was made of the situation, which brought to light so many other shortcomings that it was found that only a new hump-retarder yard, with at least 49 classifications, would relieve the unfavorable conditions at Silvis and alleviate similar conditions at other points.

The plan developed for the new terminal included the conversion of the three existing yards into a large receiving yard for traffic from all directions, and the construction, east of the new receiving yard, of a hump-retarder classification yard and departure yards. A 50-track classification yard was decided upon—to provide

*The modernized Armourdale yard was described in detail in the July 16, 1949, issue of *Railway Age*.

ce— Reduces Costs



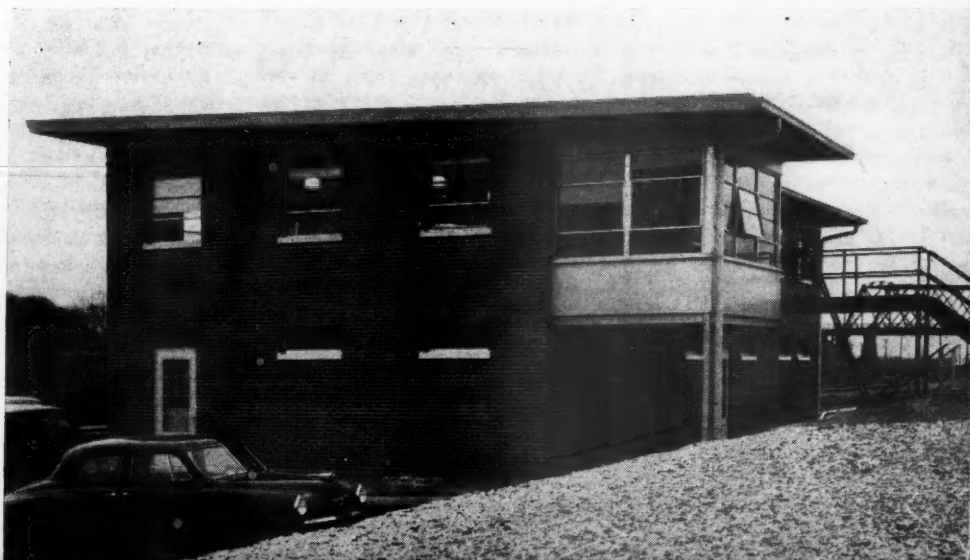
Created in about six and one-half months, a hump-retarder yard, built by the Rock Island at Silvis, Ill., is cutting 4 to 16 hr. from freight schedules

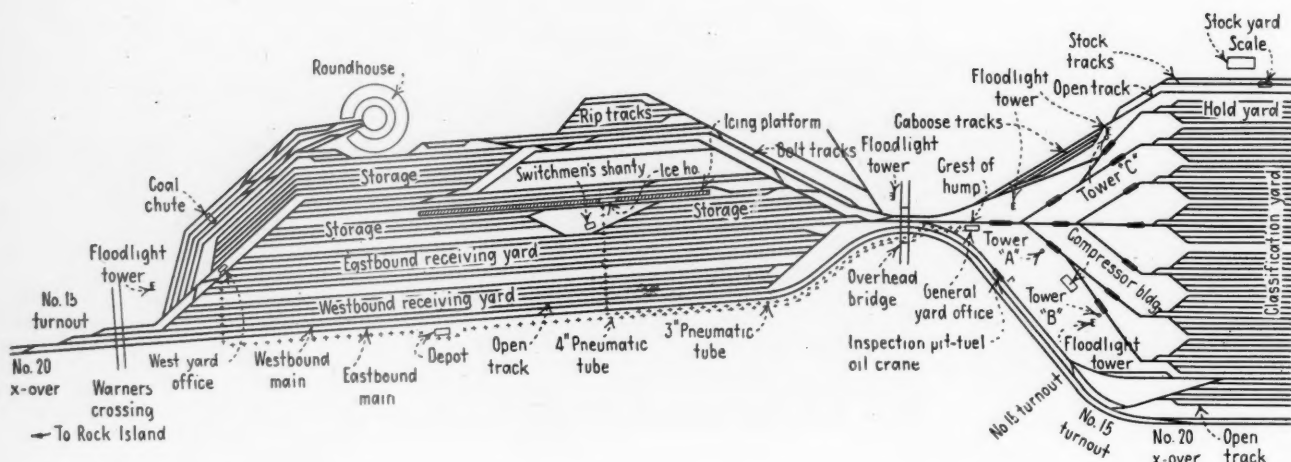
At the new Rock Island freight terminal at Silvis, Ill., tracks fan out from the hump with seven working leads into a 50-track classification yard



The glass-enclosed humpmaster's office contains inter-communication panel for talk-back and paging speakers placed strategically throughout the yard and its various offices

The new yard office building at the hump. The humpmaster and the yardmaster are stationed in the glass-enclosed room at the second-floor level





15 tracks for Chicago and eastward movements, 5 tracks for southwest movements to Kansas City, 9 tracks for westward movements and for accomplishing much of the switching that otherwise would be necessary at Des Moines and Council Bluffs, 5 tracks for northerly movements and for doing some switching formerly done at Cedar Rapids, and 16 tracks for Tri-Cities' shipments (Rock Island and Moline, Ill., and Davenport, Iowa), company shipments, bad-order cars, empties and hold cars.

In converting the old yards into a receiving yard, the existing trackage was utilized to a large extent by joining 12 of the tracks in the old eastbound and westbound yards to produce 14 receiving tracks having a capacity of as much as 138 cars each, giving a total standing capacity of 1,500 cars. Other tracks of the existing yards lying north of these were unchanged and serve as storage tracks—Silvis being the primary point on the system for storing cars held for repairs and disposition, as well as maintenance-of-way department cars tied up during the winter months, and cars held for loading in the Tri-Cities area.

Trains moving into or out of the receiving yard pass through main-line crossovers and turnouts having power-operated switches which are incorporated in the centralized traffic control system controlled by the dispatcher at Rock Island. As operated, switchmen line up the yard switches for inbound trains, but power-operated indicators, controlled by the humpmaster, were installed to indicate which tracks trains are to enter. Cars are pushed eastward out of the receiving yard directly to the new hump. Eight repeater signals, controlled from a new humpmaster's office at the hump, were placed in the yard to signal desired train movements to hump-switcher enginemen.

Cars Humped into Departure Tracks

Included in the alteration work in the receiving yard, but which has not yet been completed, is a 1,000-ft. extension to the icing dock for expediting the icing of cars. Sometimes more than 190 cars are iced in a day at this point.

Because strings of cars may be moved directly from the receiving yard to the hump, the hump lead track

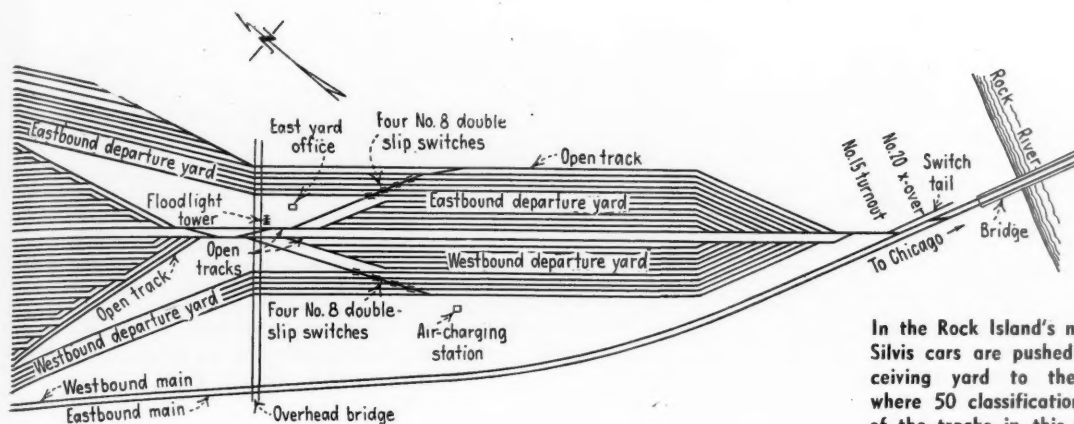
was made relatively short. Eastward from the crest, the tracks fan out and descend on varying grades into the new 50-track classification yard. One of the unusual features of this yard is that five of the classification tracks are actually eastbound departure tracks, so that it is possible to classify cars for eastbound movement directly onto the departure tracks.

The 50 classification tracks are divided into seven groupings of 5 to 8 tracks each, and 11 electro-pneumatic car retarders were installed to control car movements to the various groups. All the turnouts at the hump end of the yard have self-guarded frogs and switches equipped with electro-pneumatic switch machines. A Meco two-rail rail-and-flange lubricator was installed on the lead track, between the first retarder and the first switch, to reduce rail wear. The track over the hump and the leads to and through the retarders were laid with 132-lb. rail, changing to 115-lb. material through the turnouts, and reducing to 100-lb. rail beyond those points.

At the east end of the classification yard the tracks converge into six working leads and thence into two tracks which connect with the departure yards. Track skates, moved by fieldmen, are used at this end of the yard, and these are supplemented as a means of slowing down cars by a short sharp ascending grade in each track.

Another feature in the construction of this yard was the provision of an open track on the south side, on which a 24-ft. concrete Diesel inspection pit and Diesel locomotive fueling facilities were installed. This track extends from the west end of the departure yards to the east end of the receiving yard, and permits Diesel switchers to have ready access to the servicing facilities, so that they need not make the long run to the engine terminal for this purpose. Construction of the new yard necessitated the relocation of about 1.4 mi. of the road's double-track main line.

No car inspecting facilities were provided on the hump because this inspection is done in the receiving yard. Two small shelters were provided, however, one on each side of the hump lead, for the use of two men while they apply hot oil, when necessary, to the journals of passing cars. Also, a dragging-equipment detector was installed on the hump lead about 300 ft. west of the



In the Rock Island's new freight terminal at Silvis cars are pushed directly from the receiving yard to the hump-retarder yard where 50 classifications can be made. Five of the tracks in this classification yard are actually eastbound departure tracks

crest. When actuated, it places the hump signals at "stop" until restored by the humpmaster.

The retarders and power switch machines in the classification yard, all made by the Union Switch & Signal Co., are controlled from three towers, each of concrete-block construction, faced with brick, and three stories in height. The first floor contains an oil-burning hot-water heating plant, the second floor the electrical relays and cabinet, and the third floor the control equipment.

A one-story concrete-block compressor building was constructed on the south side of the leads to house two Chicago Pneumatic air compressors which supply the power for actuating the retarder units and switch machines. This structure also contains an oil room and a signal maintainer's shop. Each compressor is powered by a 75-hp. General Electric motor and delivers about 320 cu. ft. per min. of air at a maximum pressure of 100 lb. per sq. in. into two cylindrical reservoir tanks located outside of the building.

New Control Center Built

A combination yard office and wash-and-locker building was constructed directly south of the hump crest. This is a two-story structure of concrete blocks faced with brick. The first floor contains separate rooms with wash and locker facilities for the switchmen, enginemen, oilers, and the male yard office employees, as well as a record storeroom and a boiler room. The second story contains a large general yard office, a mimeograph and stationery room, a women's toilet, and separate offices for an operator and a trainmaster. Both the humpmaster and the general yardmaster are located in a room, glass-enclosed on three sides, that projects out from the northeast corner of the building proper at the second-floor level, thereby giving a good view of all hump operations.

The departure yards were constructed between the classification yard and the road's main track bridge over the Big Rock river, the presence of which, if conventional practice had been followed, would have confined the new departure yard to a length of a little more than a half mile. However, a very desirable layout was worked out for the departure yards in the limited dis-



Switching operations at other points on the Rock Island Lines will be profoundly affected by the new classification yard at Silvis

tance available, which incorporates 20 yard tracks, 10 for each direction, and three open tracks of which two extend through the middle of the yard.

The five northerly and five southerly departure tracks were extended westerly along the north and south sides, respectively, of the classification yard to form tracks with capacities ranging from 125 to 135 cars each, thus eliminating doubling in the make-up of trains. The five northerly tracks are the ones that were made a part of the hump-retarder layout of the classification yard and serve as eastbound departure tracks, while the five southerly tracks, with their westerly turnouts connected by a lead to the westbound main track, serve as westbound departure tracks. Approximately at its midpoint each of these tracks is connected to the east end of the classification yard by a lead equipped with four No. 8 double-slip switches—an arrangement that provides a high degree of flexibility in switching because it permits building up trains conveniently from either the middle or the ends of the long departure tracks.

The 10 shorter tracks in this yard, of which five lie on the north and five on the south of the two middle

open tracks, have a capacity of 50 to 60 cars each and are used for holding strings of cars trimmed from the classification yard until they are wanted for the make-up of trains on the long departure tracks.

The east end of the eastbound departure yard is connected directly to the westbound main, and thence by a crossover to the eastbound main track, while the west end of the westbound departure yard is connected directly to the westbound main. With this track layout, and with all main-track switches incorporated in the C.T.C. system at this point, the expeditious handling of departing trains is assured. A switch tail track, 900 ft. long, was constructed at the east end of the departure yards.

A small air-charging station was constructed on the south side of the departure tracks near the east end of the yard for the preliminary charging of train lines and for brake-testing purposes. This station consists of a small sheet-iron shed housing a motor-driven Chicago Pneumatic air compressor with a capacity of 115 cu. ft. per min.

Another small one-story building was erected at the west end of the shorter departure tracks to serve as a yard office for the east end of the yard, as well as for the comfort of the switchmen working in the departure yard and the fieldmen employed at the east end of the classification yard.

For night work the yard is illuminated from six 100-ft. floodlight towers, one at each end of the receiving yard, three at the hump end of the classification yard, and one, affording light in two directions, between the classification and departure yards.

Communication Facilities

Extensive communication facilities were installed, including a paging and talk-back system through the yard, radios in the general yardmaster's office and on yard engines, and a Teletype system. The heart of all these systems is in the new general yard office building. The talk-back system is centered in a Radio Corporation of America control panel, located in the yardmaster's office, with separate control switches for communicating with 40 talk-back speakers and 10 paging speakers. In addition to speakers scattered around the three main yards the system includes talk-back speakers in the west yard office, the east yard office, the three control towers, the ice-house office, the stock-yard office, the scale house, the signal maintainer's shop, and in several of the offices within the general yard office building.

Interconnected Teletype machines have been installed in the general yard office, the west yard office and the three control towers. Also, by means of Teletype machines in offices at Chicago, Kansas City, Des Moines and Cedar Rapids, the consists of all Silvis-bound trains are transmitted and plans can be made for processing the cars through the terminal long before they arrive.

A Motorola 60-watt 60 kc. adjacent-channel transmitter and a Sensicon receiver unit were installed on the second floor of one of the control towers. This is said to be the first narrow-band radio equipment used in any railroad yard. It broadcasts on a frequency of 161.61 mc. by means of an aerial fixed to a nearby 100-ft. floodlight tower, and is effective for more than a 20-mi. radius. It is directly controlled from the yardmaster's office at the hump, but may be remotely controlled,

by means of a "round-robin" intercommunication system, from both the east and west yard offices.

Five Diesel switchers have been equipped with radio broadcasting and receiving radio units. Each of these is a 30-watt unit which derives its energy from a rotary converter that converts the 64-volt direct current of the switchers to 110-volt alternating current.

For handling the waybills of eastbound trains arriving in the receiving yard, and for cars which have been iced, a pneumatic tube system of two lines of aluminum-alloy tubing was installed. One line, a 4-in. tube approximately 8,000 ft. long, extends between the general yard office and the west yard office for transmitting waybills dropped off by the conductors of incoming eastbound trains.

The other line, a 3-in. tube about 4,400 ft. long, connects the ice-house office with the general yard office. Conductors of incoming westbound trains drop their waybills off as they pass the general yard office.

The project included the construction of a new overhead bridge to carry a county highway across the tracks between the classification and departure yards, and the relocation of a power-transmission line to conform with a change in the alinement of the highway.

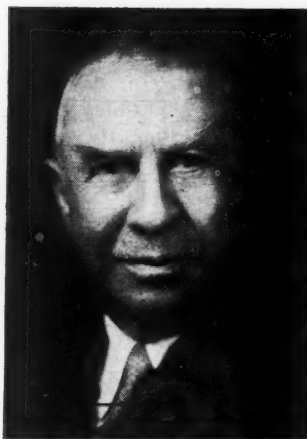
Yard Built Quickly

One of the interesting aspects of this project is the speed with which the work was done. The site selected for the new yards was low and marshy but has a sandy-loam subsoil which, with the installation of adequate drainage systems, made an excellent foundation for new grading materials. Approximately 900,000 cu. yd. of grading, of which about 50,000 cu. yd. was excavation, was required for the new hump and yards. The grading was started on April 22, 1949, and the work was completed and the yard put into 24-hr. operation on November 25, 1949—a period of only about six and one-half months.

The grading work was performed by the Kiewit, Condon & Cunningham Co., Omaha, Neb. The new yard office, compressor building, three control towers and the foundations for the floodlight towers were built by the John Soller Construction Company, Davenport. Several Chicago contracting firms also had a part in this construction work, with the Skyline Tower Company erecting the floodlight towers, the Kelly Systems constructing the pneumatic-tube systems, and the A. M. Turner Company erecting a new overhead county highway bridge, and Knott & Mielly carrying out the electrical and power transmission work. All other work was done by railroad company forces.

This project was carried out under the general supervision of F. W. Thompson, chief engineer of the Rock Island until December 31, 1949, when he retired. The communications systems were designed under the general direction of C. O. Ellis, superintendent of communications, and the signaling system under C. M. Bishop, signal engineer. Preliminary engineering and field direction was under the direct supervision of F. P. Funda, division engineer at Rock Island until May 1, 1949, when J. T. Fitzgerald, then construction engineer, and now engineer maintenance of way, took charge of all field supervision until its completion. Signal construction in the field was in charge of H. P. Schmidt, special assistant to the signal engineer.

Frederic C. Dumaine, President of the New Haven



Frederic C. Dumaine (left) who has succeeded Laurence F. Whittemore (right) as chief executive

On December 21, 1949, Frederic C. Dumaine, Sr. succeeded Laurence F. Whittemore as president of the New York, New Haven & Hartford, as was reported in the *Railway Age* of December 24.

Mr. Dumaine was not a stranger to the New Haven when he took over its chairmanship and its presidency for a nineteen day interim at a stockholders meeting on August 13, 1948. He had from 1923 through 1947 been a member of the board of directors and from 1929 had served on the board's executive committee.

The paths of the two had crossed other times prior to Mr. Dumaine's term as a director. Through his association with both the New Haven and other New England transportation agencies he has been in a position to watch the development of the New Haven through many years and to understand its needs and individual problems.

An Early Relationship

One of the earlier relationships between the two goes back to the Charles S. Mellen-Louis D. Brandeis struggle [roughly 1907 through 1913] involving the degree to which the New Haven could exercise control of common carrier transportation in New England. Mr. Mellen at length was forced into retirement, but the New Haven had won part of the battle too—it retained an interest in other New England corporations, including railroads, the most important one being the Boston & Maine, through participation in the Boston Railroad Holding Company. Frederic C. Dumaine was that company's president, a position he held for two years.

The crumbling of the so-called Mellen empire meant a weakening of its components. The New Haven began to experience financial stresses that continued into the Thirties. The road's era of expansion had come to a close in 1914, but the New Haven was never quite able to get back to a firm basis a financial system that had been thrown a tilt by heavy capitalization, debts and fixed charges that had accompanied acquisition of some 300 odd corporations, many of which produced little revenue and were merely a drain on the parent company.

In the "boom" of the Twenties, the New Haven ap-

peared to prosper for a time. It paid dividends to both its common and preferred stockholders in 1928 and 1929, having paid none from 1913 through 1927. In 1935, however, after the flush of the boom, it had to appeal to the Federal District Court of Connecticut for reorganization under the Federal Bankruptcy Act.

The period of reorganization developed nearly all the difficulties that could arise in repairing an intricate corporate mechanism. Ahead of its preferred and common stockholders it had some thirty-seven classes of creditors to cope with, and at one time thirty-five different claimants were intervening in the proceedings.

On September 11, 1947, the New Haven was authorized by the court to put its reorganization plan* into effect. In describing the period of reorganization and the return of the New Haven to private control, Howard S. Palmer, who had served the road as president and chief executive officer since November, 1934, pointed out that the total capitalization had been scaled down from \$489,023,308 in 1935 to \$384,790,963. During the same period the trustees had undertaken a program of abandoning unused property and branch lines. "Our rolling stock compares favorably with that of any other company," Mr. Palmer said. "We have been in the forefront in modernization of our motive power through the substitution of Diesel-electric power for steam locomotives. When we receive delivery of [new equipment] on order for almost two years, no railroad in the country will be able to boast better passenger equipment."

Mr. Dumaine Gains Control

Mr. Dumaine's quiet acquisition of control of the New Haven in 1948 was something of a surprise to many. Under the terms of the reorganization plan, the preferred stockholders were entitled to elect two-thirds of the road's directors. Rumors began circulating late in 1947 something was afoot in the New Haven, but matters did not come to a head until early in April of 1948, when it became obvious that there was plenty of foundation for the rumors. With a few months quiet

*A detailed outline of the plan as approved and carried out appeared in *Railway Age* of October 11, 1947.

work behind them, Mr. Dumaine and his associates had obtained a majority of the voting preferred stock of the New Haven.

In reporting this accomplishment, Edward H. Collins in the August 16, 1948, *New York Times* credited Mr. Dumaine with "a genius for keeping out of the lime-light and for conducting his affairs with a minimum of public excitement. In this case he and his associates seem to have done what they set out to do so quietly and skilfully that they, in effect, achieved their objective without firing a shot. They captured voting control of the road before the management was fully aware of what was afoot."

And so, the New Englander who long had felt that management of the New Haven should return to New England was in the driver's seat. Mr. Dumaine had arrived for the annual stockholder's meeting on August 13, 1948, riding a day coach, with the specifications of the directors' slate—"New England and New York men who have a business interest in the area served by the New Haven." He became chairman of the board and president, relinquishing the latter position nineteen days later to Laurence F. Whittemore, who left the Boston Federal Reserve Bank presidency to accept it.

Mr. Whittemore Voices the Policy

Speaking at a dinner later that year, Mr. Whittemore put into words the policy under Mr. Dumaine's leadership: "... to build a finer and more efficient New Haven railroad, rather than to concentrate on quick profits... it was the expressed purpose of its controlling owner that we should plow back into the property as much of our earnings as possible.... If our company is to make enough money to restore its credit it must be operated economically and efficiently. This presupposes that activities not necessary will be eliminated.... We shall endeavor to bring about this result with as little personal hardship to individuals and communities as possible."

Mr. Whittemore remained as president for over a year, but on December 21, 1949, he resigned to accept the presidency of the Brown Company, and Mr. Dumaine again became the New Haven's president.*

Mr. Dumaine, despite his penchant for discouraging personal publicity, has long been recognized as a power in New England industrial affairs. A complete list of the companies in which he has had a hand would stretch a long way. His corporate posts include chairmanship of the Amoskeag Company and directorships in many corporations. He is chairman of John P. Maguire & Co., long-time vice-president and director of the Boston Railroad Holding Company, as well as director and executive committee member of the Boston Manufacturers Mutual Fire Insurance Company.

Born in Hadley, Mass., March 6, 1866, Frederic Christopher Dumaine was educated in the public schools of Dedham. He started his career at the age of 14 as an office boy, earning \$4 a week, in a mill. Thomas Jefferson Coolidge, Boston financier and textile man, took an interest in young Dumaine and put him in the Amoskeag Company, a long-established textile corporation. Here he

rose through the ranks from office boy to purchasing agent. In 1905 he became treasurer when Amoskeag merged with the Manchester and Amory mills to become the largest producer of cotton goods in the world. He has continued his association with Amoskeag, both in the corporation and in its manufacturing subsidiary. Out of the latter came the securing of many small manufacturing plants to fill the mill buildings which were abandoned when Amoskeag gave up manufacturing in the textile field in 1936. The then Governor H. Styles Bridges (now U. S. Senator) led the campaign to secure the now prosperous small industries. Mr. Dumaine remained in the company and still serves as its principal officer today.

Despite the problems connected with Amoskeag's manufacturing subsidiary Mr. Dumaine had time to devote to his "growing preoccupation" with finance. In 1923 the Waltham Watch Company, threatened with bankruptcy, was reorganized by the Boston investment house, Kidder, Peabody & Co., and Mr. Dumaine became president. He kept the company operating in the black until the war began in 1941. Waltham prospered indeed during the war, but suffered a set-back in the postwar readjustment. Mr. Dumaine and the stockholders of Waltham on May 22, 1944 sold their interest in Waltham to Union Securities Corporation.

These are only a few of the corporate enterprises that have occupied much of Mr. Dumaine's long career. It cannot be said that his life is an open book, for he is reputedly shy of publicity and shuns it as thoroughly as he hammers operating deficits. His theory all along the line is that no business should pay out more than it takes in, and he has consistently geared his energies to this end.

Problems with the Old Colony

Many problems still face the New Haven's management. Foremost among these are peculiar to the "east end" of the railroad in the vicinity of Boston. Paramount among the "east end" difficulties are the lines which were formerly the Old Colony Railroad. This eastern Massachusetts property, which for many years has been under lease to the New Haven, itself held a lease on the Boston & Providence, whose 44 miles form an essential link in the New Haven's heavily-traveled Shore Line route between New York and Boston. The two subsidiaries were forced into bankruptcy with their parent. When the New Haven during its reorganization period began scanning various sections of its passenger apple for bad spots it became apparent the Old Colony was one of the worst.

The New Haven asked for and got, through the I.C.C., and the federal court, the right to drop all passenger service on the former Old Colony if losses ascribable to it exceeded \$850,000 for any consecutive 12 months after October 1, 1947.

In February, 1948, in a letter to Governor Robert F. Bradford of Massachusetts, Mr. Palmer stated that losses chargeable to passenger operations on the Old Colony had exceeded \$3,000,000 during the last three months of 1947 alone. He requested state authority to discontinue all passenger service on the Old Colony by October 1 of that year, pointing out that such action

* A sketch and portrait of Mr. Whittemore appeared in the *Railway Age*, September 4, 1948.

would not affect freight service nor summer passenger service between Cape Cod and Boston and New York. Governor Bradford countered with a request that the New Haven not discontinue service before March 1, 1949, as it would be impossible to enact in a shorter time the legislation necessary to provide a substitute passenger service. At town meetings all along the lines the townspeople urged that the state take over the division and operate it. The use of buses as an alternative was talked about favorably, or at least resignedly. Twenty railroad labor organizations even proposed to the Massachusetts legislature state ownership of the Old Colony involving "an equitable assessment against the cities and towns served."

Mr. Dumaine's pronouncement, shortly after it was disclosed that he controlled the New Haven, that he would keep the Old Colony in operation as long as possible received the blessings of New England at large. He is said to feel that two steps will lengthen the time this is possible; first, that towns along its line lower taxes, and second, that the commonwealth of Massachusetts purchase the South Station in Boston, lessening the heavy financial burden for user railroads. The legislature so far has refused to do this.

The New Haven has actively sought to bring in revenue. Although passenger fares have gone up, the public is being enticed to use its trains by such devices as special round-trip rates. On the west end of the road, in the vicinity of New York, special "Show Trains" operate at low fares. The New Haven secures blocks of tickets for top-hit shows on Broadway and then sells them to its patrons at local stations as far east as New Haven at the windows where they purchase transportation. "Husking Bee" trains have been operated out of

both New York and Boston. These trains have brought city folk out to enjoy Saturday evening—country style. Further gestures in public relations were made through advertisements in Boston papers urging traveling Cape Codders to vote upon their preference of summer scheduled passenger trains.

From an operational standpoint, Mr. Dumaine's management has set about tightening up. Some mileage has been abandoned, needless facilities curtailed, trains taken off, and subsidiaries and real estate carefully evaluated for their usefulness in the scheme of things. Personnel has been scaled down, too.

In a statement to the press when he took over the presidency, after Mr. Whittemore's resignation, Mr. Dumaine said:

"The policies of improved service which have been established in the past 16 months will continue. We shall be frank with the public regarding the road's affairs. Our experiments with train service on the former Old Colony lines in Massachusetts will be pursued in order to determine which trains the public desires to have continued as indicated by their patronage.

"On the so-called 'west end' of the New Haven, we shall continue our experimental runs on lines in Connecticut and New York, and in addition we shall continue to study individual trains and territories in an effort to provide the train service best suited to the majority of those who live in the areas we serve.

"We shall continue to cooperate with local groups in joint efforts to provide mutually beneficial changes in our passenger and freight service. The main objectives of the management will continue to be the rehabilitation of the New Haven as a New England institution."

"THE SEEING EYE OF MANAGEMENT"

Much has been written concerning the efficiency and economy of operating and maintaining the railroad plant, but little has been written regarding the development of improved railroad accounting methods. The efficiency of the present-day railroad accounting department has depended on the development of machine methods of calculating, book-keeping and statistical analysis. The facts necessary to operate a business as complex as a railroad simply could not be made available in time to be of any value without adding machines, billing machines, various types of calculators, and, especially, punch card accounting equipment. . .

Many railroaders do not realize how much can be done through accounting to help in the efficient running of the line. This phase of accounting goes beyond the mere keeping of accounts . . . No railroad accounting department rises to its highest usefulness until it becomes . . . a fact analyzing and fact interpreting department. Furthermore, no branch of the railroad industry has a greater opportunity than the accounting department to contribute to the industry's welfare and progress. The railroad industry urgently needs accounting departments with the knowledge, skill and ingenuity required to apply to the railroads the new technique of control which the accounting profession as a whole has developed.

A comprehensive routine of day-to-day scrutiny and control of expense is one of the strategic devices which far-

sighted management can use to develop a property into a strong physical and financial position . . . The accounting department can summarize an entire corporate enterprise and penetrate every function and service and component part of its company's work. Therefore, one might properly say that the accounting department is the seeing eye of management in the conduct of its affairs. . . Any railroad management without a competent accounting department must make its decisions by guesswork and is, therefore, like a blind man.

There is another opportunity that lies ahead for the accounting department, namely, that of working with the other railroad departments so that potential benefits of improvements may be predicted accurately while still in the blueprint stage. In this way plans may be analyzed more realistically and improvements carried out in the most logical order.

Many tasks lie ahead for railroad accountants. Problems become serious largely because there is on hand insufficient information to solve them. The kind of answers — to an increasingly large number of questions — which railroad management needs are those which only the accounting department can provide.

— G. F. Glacy, vice-president, accounting, Boston & Maine and Maine Central, and chairman, Accounting Division, Association of American Railroads, in an address before the New England Railroad Club, January 10.

GENERAL NEWS

Trend Now Indicates Car Buying Revival

Gass so interprets recent reports of orders being placed

Reports recently coming from railroads indicate "what may be interpreted as a revival of freight car purchasing," Chairman Arthur H. Gass of the Car Service Division, Association of American Railroads, said in his latest review of the "National Transportation Situation." This statement was included in the chairman's discussion of equipment, in which he also noted that even though ordering of new freight cars "practically ceased" in 1949, the year's capital expenditures for new equipment surpassed any previous year.

Equipment purchases by Class I railroads totaled almost \$1 billion in 1949 as the roads acquired 84,669 new freight cars, 1,865 new locomotives, and approximately 900 new passenger-train cars, the report said. It added that last year was one in which "from the standpoint of performance it may be said that the 'steam' railways of the United States became 'Dieselized'." Ninety-five per cent of the 3,352 new locomotives placed in service during the past two years have been Diesel-electric, Mr. Gass also pointed out.

During 1949, however, there was retirement of 90,348 freight cars, highest number in 13 years, and 3,868 locomotives, highest in 25 years. The report went on to say that in the past two years 172,000 worn out freight cars have been replaced by 187,000 new cars, and 6,138 old locomotives have been scrapped, the latter reflecting both deferred retirements from the war period and widespread Dieselization.

In discussing prospects for new freight car purchases, Mr. Gass said that January and the early months of 1950 would see additional orders placed. However, the number of cars on order as of January 1 (14,368) still was far below the 89,437 on order January 1, 1948. Mr. Gass predicted an overall decline in ownership in 1950, but said the general upgrading of equipment and reduction in bad orders would offset the loss.

No Car Shortages

Other figures in the report, which will henceforth be issued bimonthly, showed that 140,946 freight cars were awaiting repairs on January 1, 1950, an increase of 55,294 above the January 1, 1949, figure. Since total ownership decreased dur-

ing 1949 by 5,679 cars, the net drop in the number of serviceable cars was 60,973.

Earlier in the report, Mr. Gass examined the current situation with respect to car supply and found no acute shortages in any type car. He reported that "practically all railroads are reporting surplus hoppers"; that the gondola supply is "comfortable" because of cars released by reduced coal loadings; that no shortages of flat cars have been reported in recent weeks; and that the supply of box cars throughout the country "has been more than adequate." He indicated that some of the reduced demand for box cars and flats was due to the regular "seasonal slump" at this time of year, and that cars generally are being relocated to owning roads during the lull so they may be worked into current repair and upgrading of equipment programs. For the week ended January 7 most roads were reporting a surplus of box cars that averaged 19,320 daily.

As to other types of cars, the report said covered hopper requirements were "very heavy" in 1949 and that loadings were up 7.8 per cent over 1948. At the same time there was a decrease in shipments by refrigerator cars in 1949, and the year's total was 783,502 as compared with 899,640 in 1948. As to the current requirements for refrigerator cars, Mr. Gass said that demand had increased rapidly in the past two weeks due to increased loadings in many areas.

Other sections of the report discussed

At various times we hear and read about the danger of nationalization of the railroads, which would be a calamity to our free enterprise system. Perhaps some of this stems from public statements of railroad officials who sometimes paint a bluer picture than necessary in order to arouse public sympathy in their cause. While this is understandable, it seems to us that the brighter side of the picture should also be told. We believe that some railroad executives could well afford to conduct a series of meetings, perhaps in cooperation with investment bankers, to acquaint investors with the outlook for their own roads. It would help the credit of some of the railroads and help pave the way for the day when their common stocks can be offered. In some instances public utility officials have been doing this with successful results.

—From a report of the Railroad Securities Committee of the Investment Bankers Association of America

the coal situation, average turn around time on Class I roads, and detention of freight cars beyond the free time of 48 hours. Turn around time for the month of December, 1949, averaged 18.47 days for all cars, an increase over previous years "principally because of the reduced volume of carloadings" and inclusion of surplus cars in the calculation. The average percentage of detention for December was 20.11 per cent.

Coal Loadings Down 28.5 Per Cent

The report showed revenue coal loadings for the first week in 1950 amounted to 89,906 cars, a reflection of the "severely reduced coal production" since the first of the year. For the same week in 1949 the loadings were 164,010, and in 1948 they were 202,741. During the year 1949 there was a decrease of 28.5 per cent in total coal loadings; the report noted that coal stocks at the head-of-the-lakes on December 1 were down 3 million tons compared with 1948. A heavy movement of all-rail coal would probably be necessary in case of any sustained period of winter weather in the Northwest.

Million-Dollar Reparations Claim Dismissed by I.C.C.

The Interstate Commerce Commission has dismissed a complaint whereby Butler Brothers, a producer of beneficiated iron ore, sought reparations of \$1,032,572 on the basis of allegations that it has been paying "unreasonable" rates on its shipments of such ore from Keewatin, Minn., Nashwauk and Hibbing to docks at Allouez, Wis., and Duluth, Minn. The proceeding was docketed as No. 29502 and the commission, by dismissing the complaint, rejected a proposed report by Examiners A. J. Banks and E. L. Boisseeree, who recommended an award of reparations.

Beneficiated iron ore is a class 2 ore which has been processed to make it suitable for blast-furnace use. It is sold in competition with class 1, or "high-grade ore," which is known as "direct-shipping ore." The same railroad rates apply on shipments of both ores from origins in the Lake Superior region to upper Lake Superior ports. The complaint sought for beneficiated iron ore a rate 9 cents per long ton less than the rate on direct-shipping ore. Defendant railroads were the Great Northern and the Duluth, Missabe & Iron Range.

State and municipal authorities of Minnesota intervened in support of the complaint; and the supporting presentations included contentions that rates

which would stimulate the use of the low-grade ores would be in the public interest because of the resultant conservation of the high-grade ores. The complainant, however, relied principally upon cost data of record and its showing as to profits realized by the railroads from the traffic involved.

As to the contention that use of the low-grade ores should be stimulated, the commission said the record "fails to show that the level of the assailed rate or charge has thus far retarded, or that it is likely to retard, to any serious extent the use of beneficiated ore." Meanwhile, it conceded that the "rapidly dwindling" reserves of high-grade ore (which, however, are "still substantial") indicate that the steel industry will "in time" become dependent upon the low-grade ores. "When that time comes," the report added, "it may be that the carriers should be expected to contribute to the continued development of the low-grade ores by a reduction in their rates."

With respect to the cost data, the commission found that it failed to show that the G.N.'s earnings from the traffic were in any way out of line. It conceded that the D.M.&I.R. cost figures indicated that the assailed rate was "relatively high" for that road, but added that the weight to be given D.M.&I.R. earnings "must be evaluated along with the earnings from the iron ore traffic and the revenue needs of the Great Northern, and of the intervening carriers." The latter "are less prosperous than the Great Northern, and any substantial reduction in the rate assailed would have a serious effect upon their revenues," the report continued. It was also pointed out that the complainant had not originated any shipments on the D.M.&I.R. since 1944.

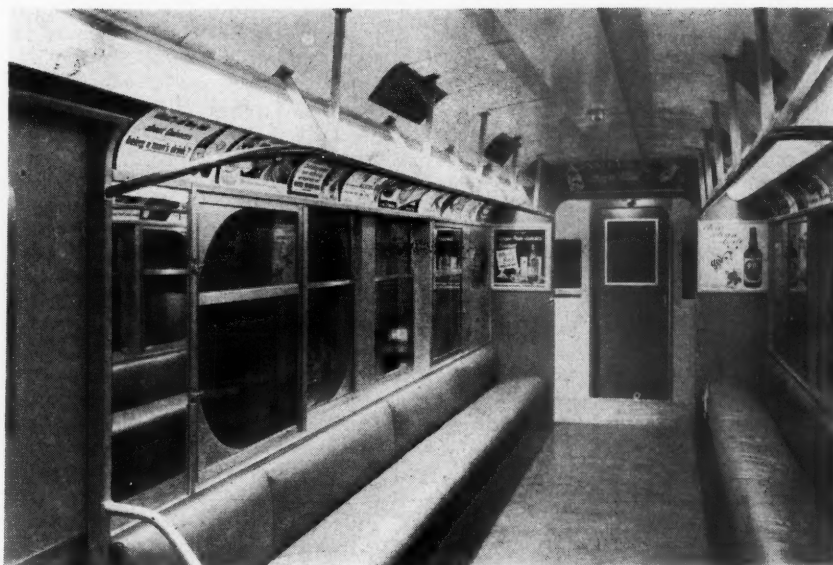
The report noted the dissent of Commissioner Aitchison; and that Commissioners Alldredge, Patterson, and Cross did not participate in the disposition of the case.

Nation Needs Railroads Less Than in Nineties—McGrath

"The welfare of the nation was far more dependent upon a healthy system of railroad transportation" in the Nineties "than is the case today," Attorney General J. Howard McGrath said in a January 25 address in New York before the antitrust section of the New York State Bar Association. The attorney general did not elaborate on the statement, which was included more or less parenthetically in his talk, which outlined the history of enforcement of the Sherman Antitrust Act.

Mr. McGrath was dealing with the 1890-1902 period which, he said, "sought effective enforcement for the most part only in the field of railroad transportation."

He added: "This was largely due to the decision of the Supreme Court in 1895 in the sugar trust case, that manufacturing was not interstate commerce and therefore not subject to congressional



The Hudson & Manhattan has announced plans to modernize 302 of its cars at a total cost of about \$4,530,000. Work on the cars, which will be done according to plans drawn by Henry Dreyfuss, is scheduled to begin in two months and it is hoped that two 6-car trains will be ready for service six months thereafter. All cars will be equipped with new trucks built by the Pressed Steel Car Company. A life-size "mock-up" of a modernized car, the interior of which is shown here, was demonstrated to the press this week.

al regulatory power. Practically, this meant that only restraint upon railroads and steamships was subject to the Sherman Act. But we must not forget that the railroad industry at that time was probably our most important single national industry."

Would Confirm Friend as Loco. Bureau's Assistant Director

The Senate committee on interstate and foreign commerce voted on January 25 to recommend confirmation by the Senate of President Truman's appointment of James E. Friend for the position of assistant director of the Bureau of Locomotive Inspection, Interstate Commerce Commission. Mr. Friend has been serving in the position since October 31, 1949, the President having given him a recess appointment after the previous session of congress had adjourned without committee action on the nomination (see *Railway Age* of January 14, page 43).

Freight-Absorption Bill Encounters New Delay

Pending legislation to legalize the absorption of freight charges by sellers undertaking to reach distant markets will be further delayed as a result of the senate's action in sending the proposal back to a Senate-House conference committee for further consideration. The proposed legislation was in the final stage of its journey through Congress when the Senate took that action on January 20.

The action was taken on the conference report, which had reconciled dif-

fering Senate and House versions of the bill (S.1008), and which was adopted by the House last year. At that time the Senate voted to postpone until January 20 its consideration of the conference report (see *Railway Age* of October 22, page 62).

The proposed legislation is designed to eliminate the confusion which has resulted from the Supreme Court's April 26, 1948, decision upholding the Federal Trade Commission's "cease and desist" order against the cement industry's basing-point system of pricing.

Private Carrier Group Would Lease Federal Barge Lines

Secretary of Commerce Charles Sawyer announced on January 25 that he has received from a group of private carriers a proposal to lease the transportation facilities of the government-owned Inland Waterways Corporation, exclusive of its terminal operations.

The proposal, Secretary Sawyer said, stipulates a 5-year lease with the right of renewal for an additional 10-year period, and an option to purchase on, or after expiration of the first 5-year period, and before expiration of the extended 10-year period.

The proposal was submitted by Henry F. DeBardeleben, of Birmingham, Ala., acting for the following: American Barge Line Company, Arrow Transportation Company, Butcher-Arthur, Inc., Canal Barge Company, Central Barge Company, Coyle Lines, DeBardeleben Coal Corporation, Dixie Carriers, John I. Hay Company, Marine Transit Company, A. L. Mechling Barge Lines, Mississippi Valley Barge Line Company,

the Ohio River Company, and Upper Mississippi Towing Corporation.

The proposal contemplates a new corporation with a paid-in capital of \$1,000,000. Annual rental would be equal to the depreciation charges for each unit actively in service, but only to the extent earned in any year, and would not be cumulative. In addition, for the use of operating rights and good will, the I.W.C. would receive 5 per cent of net income carried to surplus.

"The proposal will be given careful consideration," Secretary Sawyer said, "I have no comment to make at this time upon its prospects. It will first be submitted to a meeting of the Advisory Board of the Inland Waterways Corporation, and following that I propose to submit the matter to the appropriate Congressional Committees and the Department of Justice for their comment. Any disposal of the Federal Barge Line would have to be under conditions of a guarantee by the lessee to provide service similar to that now being provided by the Inland Waterways Corporation, particularly for small shippers of package and carload lots."

The corporation operates over 3,300 miles of riverway through 21 municipally owned or leased terminals, in addition to private terminals. Its equipment consists of 21 boats and some 260 barges. Its

latest annual report, covering the fiscal year ended June 30, 1949, showed a consolidated net deficit of \$1,000,065.

Truman Favors Transport-Tax Cuts—If Revenue is Replaced

President Truman has recommended to Congress that various excise taxes, including the levies on amounts paid for the transportation of persons and property, be reduced—provided the cuts are "accompanied by provision for replacement of the revenue lost." The recommendation was made in the President's January 23 tax message which also recommended that the income tax law's "carry-forward" provision be extended from two to five years, and that a "moderate increase" be made in corporation income taxes.

In calling for reductions in the transport taxes, the President did not suggest what the cuts should amount to. The present tax on amounts paid for transportation of goods, which is levied on freight charges paid to all agencies of for-hire transportation, is 3 per cent of such charges except in the case of coal where it is 4 cents per short ton. The tax on amounts paid for transportation of persons (also applicable only to for-hire carriage) is 15 per cent of the fare.

For the fiscal year ended June 30, 1949,

the freight tax yielded about \$337 million while the fare tax yielded about \$251 million. During the last six months of 1949 the respective yields were about \$163 million and \$126 million, which, in turn, represented reductions of \$15 million and \$13 million below collections for the comparable 1948 period. These declines reflect lower volumes of traffic last year, and the for-hire carriers have contended that the taxes have caused diversions of their business to private automobiles and private trucks. In his Midyear Economic Report of last year (see *Railway Age* of July 16, page 80), President Truman recommended complete repeal of the freight tax, but Congress took no action on the recommendation. Various bills to repeal or reduce both taxes have been introduced in the Senate and House.

As noted above, the President's recommendation that reductions be made at this time is contingent upon arrangements for recouping the lost revenue. "I wish to make it very clear that I could not [otherwise] approve excise tax reductions," his message said. Recouping arrangements suggested by the President would involve closing what he called "loopholes in the present tax laws." He went on to say that the "loopholes" he had in mind were in the present tax laws' provisions relating to depletion exemptions now enjoyed by oil and mining interests, and other exemptions enjoyed by educational and charitable organizations. The President would not change the policy of exempting the latter organizations, but he said that "the few glaring abuses of the tax exemption privilege should be stopped."

The proposed increase in corporate income taxes was part of the message's recommended plan for raising an additional billion in annual tax revenue. This billion would be all gain, if Congress also went along on the idea of having losses from excise tax reductions offset by revenue from the "loophole-plugging" operation.

A "substantial part" of the additional billion should be obtained from revision of estate and gift tax law, the President said. The "moderate increase" in the corporate income tax rate would be applicable "to that part of a corporation's income which is in excess of \$50,000." At the same time, the President recommended "that the tax rate on corporate income between \$25,000 and \$50,000, which is now taxed at the excessively high 'notch' rate of 53 per cent, be reduced to the same rate that applies above \$50,000."

The carry-forward provision is that which permits corporations to carry forward losses of one year to offset profits of subsequent years, thus reducing the taxable income of the profitable years. In recommending an extension, from two to five years, of the period during which losses may be carried forward, the President said his proposal "will give increased incentive to business investment affected by uncertain profit expectations."

The President described his program



Among those present at a recent broadcast of the Louisville Railroad Smoke Abatement Association, over radio station WGRC, Louisville, Ky., were: (Around the microphone, left to right), J. S. Swan, fuel conservation engineer, Louisville & Nashville; John O. Pasco, combustion engineer, Louisville Smoke Commission; J. F. Ryan, assistant superintendent of machinery, L. & N., and chairman of the association; John Leprich, road foreman of engines, Baltimore & Ohio; H. L. Berry, general foreman, Louisville & Jeffersonville Bridge & Railroad Co.; M. P. Faith, assistant road foreman of engines, Pennsylvania; J. H. Dobbins, general foreman, Illinois Central; J. P. Sanders, road foreman of engines, Southern. (Second row, behind microphone, left to right), L. C. Smith, chief engineer, South Louisville powerhouse, L. & N.; J. L. Wilson and W. J. Alexander, smoke engineers, L. & N.; W. H. Powell, superintendent of locomotive operation (Cincinnati, Ohio), B. & O.; Charles C. Thompson, secretary-pro tem of the association; J. A. Parrish, master mechanic, South Louisville roundhouse, L. & N.; R. L. Vaughn, locomotive engineer (Evansville, Ind.), L. & N. (Third row standing, left to right), B. M. Myers, traveling engineer, I. C.; W. P. Veech, smoke engineer, L. & N.; G. L. Burris, mechanical foreman, P. R. R.; L. W. Huey, assistant trainmaster, P. R. R.; and Philip J. Schlemmer, Lonnie C. Estes and Sam E. Daniels, smoke inspectors, Louisville Smoke Commission

generally as one "designed to reduce the deficit and bring about a budgetary balance as rapidly as we can safely do so." He advised Congress that "a sharp increase in taxes under present economic conditions would be unwise," but he added: "However, in line with the policy of gearing changes in revenue laws to the needs of our economy, I would not hesitate, if strong inflationary or deflationary forces should appear, to support the use of all measures necessary to meet the situation, including more pronounced adjustment of tax rates upward or downward, as the case might be."

Woodruff, Major and Moore To Judge Contest Essays

R. E. Woodruff, chairman of the Erie, C. A. Major, president of the Lehigh Valley, and E. T. Moore, president of the Central of New Jersey, will serve as the panel of judges to select the winners in the Roy V. Wright Prize Essay Competition being conducted by the New York Railroad Club. Prizes will consist of one award of \$500 and ten of \$100 each. This is the second year in which this contest has been conducted by the New York Railroad Club, honoring the memory of the late managing editor of *Railway Age*.

The contest will close on February 28. Subjects written upon must be chosen from an approved list, copy of which may be secured—along with other conditions governing entrants—by addressing D. W. Pye, executive secretary, New York Railroad Club, New York 7.

Railways Warned of Need For Lower Citrus Rates

A blunt warning to railways that lower rates on citrus fruits are essential was issued by Alden M. Drury, general manager of the Florida Citrus Mutual, before the Central Florida Traffic Club, at Orlando, Fla., on January 17.

Mr. Drury heads a growers' organization that in two years since its foundation has shown such extraordinary growth that it now controls over 90 per cent of Florida citrus. He attributed the drop in railway citrus traffic to the successive and "exorbitant" railway rate increases of the past few years, which have permitted truck lines to take over more than half the movement, and have also raised prices on fresh fruits delivered in the north so that growers sell their fruit to frozen concentrate plants. Such plants, Mr. Drury said, will use between 20 and 22 million boxes of citrus fruit this season in preparation of frozen, concentrated juice—one carload of which represents fruit that would require 17 full cars if shipped fresh.

"Shipping, and the costs of shipping [Mr. Drury also said] are the key to the whole situation in the citrus industry. Many new groves are beginning to bear and will begin to bear in the next five years, thus increasing production of citrus by several million boxes. If the housewife in Podunk Corners is bur-

dened with an undue proportion of the high freight rates, she will not buy fresh fruit. Some people might view the situation as over-production, but I do not. We can sell the fruit if we can get it to destination without an overwhelming percentage of the cost going into freight rates, so the question would be one of mal-distribution rather than over-production.

"The railways, in the years following the War, were handling some 80 per cent of the total fresh fruit movement, as against 20 per cent by truck. By the end of last season, this situation had been almost exactly reversed, because of high rail rates, and the trend away from the rails has continued this season. Also, high rail rates on fresh fruit are driving more and more fruit into the processing plants, also resulting in lost revenue to the railways. If rail rates were in line with truck rates, I believe the railways could recapture much of the business they have lost to the trucks, as the packing plants particularly would rather ship by rail, other things being equal."

Mr. Drury reminded the railway men that Mutual's charter permits it to govern routing of all but about 5 per cent of the citrus fruit raised in Florida. "In justice to the growers," he concluded, "it may be necessary for us to exercise these powers and to see that the fruit gets to the consumer as economically as possible."

C. & O.'s Michigan Streamliner Named "Valley Queen"

The "Valley Queen" is the name selected for the Chesapeake & Ohio's new streamlined train between Saginaw, Mich., and Detroit. The new streamliner was placed in operation on a six-months trial basis last October 31 at the suggestion of the Michigan Public Service Commission. (See *Railway Age* of October 29, 1949, page 58.) C.&O. officers have reported, however, that revenues have so far not paid expenses of operating the train. It has averaged about 50 passengers per trip, with at least half again as many fares needed to break even on costs.

Erie Moves Trains by Radio in Emergency

Train movements on the Erie between Marion, Ohio, and Kent, 114 mi., were controlled by radio for several hours on January 16, when high winds felled a tree and broke communication lines two miles east of Ashland, Ohio, along the road's main line between New York and Chicago. Line crews located and repaired the damage after several hours, but communication was re-established within a few minutes.

The dispatcher at Marion maintained contact with trains under his supervision by use of a radio "bridge" between Mansfield and Creston, using telephone to Mansfield, radio from there to Creston, and wire again for the remainder of the division to Kent. From wayside stations, spaced approximately 17 mi. apart, the dispatcher's voice was radioed again to the cab or caboose of moving

trains. In communicating with the dispatcher from points east, the procedure was reversed.

The Erie's four-way radio communications system, described in the *Railway Age* of September 11, 1948, page 56, is nearing completion toward Jersey City, N. J., covering 824 mi., or 85 per cent, of the main line. It permits communication from train to train; cab to caboose; train to station, and station to station. The latter was used during the January 16 wire interruption. Equipment for the installation is being furnished by the Capehart-Farnsworth Corporation.

New Haven Plans for Summer Service to Cape Cod

Train service between Boston, Mass., and New York and Cape Cod will be operated this summer on about the same schedules as last year by the New York, New Haven & Hartford.

The railroad will again operate the "Cranberry"—fast commuter train to and from Boston, Hyannis and Woods Hole—and will also operate the "Day Cape Codder," the "Night Cape Codder," and the "Neptune" from New York to Woods Hole and Hyannis.

Plans are being discussed for further improvements in service to the cape, and, with the cooperation of steamship officials, for more convenient connecting services to and from Martha's Vineyard and Nantucket. Staggered-stop schedules on the Woods Hole branch, and elimination of some closely-adjacent stops between Buzzards Bay and Hyannis are among the suggestions being considered.

Truckers Expect Big Year

Commercial truckers expect "to set new records this year in increased revenues and volume of tonnage," according to a survey of industry leaders recently released by Transport Topics, official publication of the American Trucking Associations. Opinions, the survey revealed, range from estimates of "just as good as 1949," to predictions of increases up to 19 per cent.

Many trucking companies, Transport Topics says, are "greatly expanding fleets and terminal facilities" on the basis of estimated increases in revenues or of "the trucking industry's prospects in the future."

I.C.C. Calls for Reports From Carrier Associations

Carrier associations, such as the Association of American Railroads, the American Short Line Railroad Association and like organizations in the highway transport, water carrier and freight forwarder fields, have been called upon by the Interstate Commerce Commission to make "special" reports showing their status as of August 2, 1949. The call, embodied in a January 12 order, marked the commission's first move to exercise the jurisdiction over such associations which it obtained as a result of legisla-

tion passed last year by Congress and approved by President Truman on August 2.

The legislation was the so-called omnibus act, which made several "non-controversial" amendments to the Interstate Commerce Act, as recommended by the commission in its annual reports (see *Railway Age* of August 6, 1949, page 60). The carrier-association phase gave the commission authority to require reports from, and inspect the records of, such associations. Its application to associations in the railroad, highway and forwarder fields is broader than in the water carrier field, where it extends only to associations which engage in activities "relating to the fixing of rates, publication of classifications, or the filing of schedules . . ." The broader provisions relating to rail, highway, and forwarder associations apply to any such association which "performs any service, or engages in any activities, in connection with any traffic, transportation, or facilities subject to this act."

The reports called for by the commission's January 12 order must be filed within 60 days of that date with the commission's Bureau of Transport Economics and Statistics. The order was accompanied by a form on which the reports must be submitted. The information called for includes the following: A statement of the association's "objectives"; the names of officers, directors and members; a statement "in detail" on the "voting control exercised by members," and the methods of voting; the set-up of committees and subcommittees together with the names and affiliations of each committee member; the association's organization chart and copies of its constitution, by-laws, and "other papers pertinent to the organization"; and the number and functions of its employees.

Also, each reporting association must give the following financial data as of August 2, 1949: Cash on hand and in banks; investments ("state kind"); all other assets; total assets; capital and surplus; all other liabilities. An "outline of how the respondent is financed" is also called for, as is a statement of receipts and disbursements for the period from August 2 to December 31, 1949. As to the latter, the receipts and disbursements figures for the year 1949 may be substituted, if the respondent prefers. The commission's order provides that within 30 days from its date any interested party may file "a written statement giving data, views, or arguments in favor of or against the proposed special report."

North Western Plans Fare Boost for Commuter Service

The Chicago & North Western on January 18, notified commuters that it will seek commutation fare increases intended to reduce, but not eliminate, such losses as the more than \$3,000,000 deficit suffered in 1949 in connection with its suburban service. The road said it will

petition the Interstate Commerce Commission for increases on its 10-ride and 25-ride tickets. In addition, tariffs are to be filed with the Illinois Commerce Commission to bring into line those fares previously held down by the 1907 Illinois two-cent maximum rate law and to establish a general increase in weekly and monthly individual tickets.

In a pamphlet distributed to commuters, H. C. Duvall, passenger traffic manager, stated that the 43-year-old Illinois law setting the maximum rate at two cents a mile is "obsolete, not in keeping with current economic conditions, and discriminates against the interstate commuters who are paying more than two cents a mile for their 10-ride and 25-ride tickets." While increases will vary for different stations, on a 54-ride monthly ticket the resulting rate per mile in some cases will be as low as one cent. Mr. Duvall pointed out that Chicago Transit fares have increased 114 per cent over the 1939 rate.

Waybill Study

Another waybill study has recently been issued by the Bureau of Transport Economics and Statistics of the Interstate Commerce Commission. It is Statement No. 4949, Distribution of Petroleum Products by Petroleum Districts, and the data cover the first and second quarters of 1949.

Denies S.P.-W.P. Pleas For Signaling Relief

Division 3 of the Interstate Commerce Commission has denied petitions wherein the Southern Pacific and Western Pacific sought authority to operate streamlined trains at speeds in excess of 80 m.p.h. without installing automatic train-stop or cab-signal systems, as required by the commission's June 27, 1947, order in the 29543 proceeding. The division's adverse report, by Commissioner Patterson, found that there was no necessity for the proposed relief, because it was sought "for the sole purpose of making up lost time."

The S.P. petition sought authority to maintain the present authorized maximum speed of 95 m.p.h. for the "City of San Francisco" over its 778-mi. line between Ogden, Utah, and Oakland, Cal. The 182.9-mi. section of this line between Weso, Nev., and Alazon and the 177.6-mi. W.P. line between the same points are practically parallel, and a joint trackage agreement provides for eastbound train operations of both roads over the W.P. line and for westbound operations over the S.P. line. The petition of the W.P. was for authority to maintain the present maximum authorized speed of 95 m.p.h. for the "California Zephyr" over this jointly operated line.

The Railway Labor Executives' Association and individual railroad labor organizations opposed the granting of the petitions. And locomotive engineers assigned to the runs involved testified that the wayside signals were not always

clearly discernible because of rain, sleet, snow, or fog.

Meanwhile, the commission did grant one phase of the S.P. petition and thus exempted that road from the requirement to use the June 27, 1947, order's prescribed definition of "medium speed" ("A speed not exceeding one-half authorized speed, but not exceeding 30 m.p.h."). The exemption was based on the fact that the commission is now giving consideration to a revised definition of "medium speed."

Freight Car Loadings

Loadings of revenue freight in the week ended January 21 totaled 618,950 cars, the Association of American Railroads announced on January 26. This was a decrease of 12,068 cars, or 1.9 per cent, below the previous week, a drop of 90,887 cars, or 12.8 per cent under the corresponding week last year, and a decline of 152,189 cars, or 19.7 per cent, below the equivalent 1948 week.

Loadings of revenue freight for the week ended January 14 totaled 631,018 cars, and the summary for that week as compiled by the Car Service Division, A.A.R., follows:

REVENUE FREIGHT CAR LOADINGS			
For the week ended Saturday, January 14			
District	1949	1948	1947
Eastern	116,190	138,313	153,681
Allegheny	126,565	155,937	166,884
Poconongas	46,236	62,847	68,611
Southern	114,598	131,678	135,656
Northwestern	71,804	78,958	84,224
Central Western	101,583	105,362	131,346
Southwestern	54,042	59,770	67,906
Total Western Districts	227,429	245,090	283,476
Total All Roads	631,018	733,855	808,308
Commodities:			
Grain and grain products	46,789	48,334	49,979
Livestock	11,264	12,411	12,619
Coal	116,127	163,797	191,854
Coke	11,592	15,733	15,264
Forest products	33,008	39,840	44,323
Ore	12,716	12,336	10,749
Merchandise l.c.l.	76,552	90,532	103,849
Miscellaneous	322,970	350,882	379,671
January 14	631,018	733,855	808,308
January 7	506,947	721,507	830,810
Cumulative total 2 weeks	1,137,965	1,455,372	1,639,118

In Canada.—Carloadings for the week ended January 14 totaled 65,729 cars, compared with 54,498 cars for the previous week, and 75,445 cars for the corresponding week last year, according to the compilation of the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada:		
January 14, 1950	65,729	28,053
January 15, 1949	75,445	32,599
Cumulative totals for Canada:		
January 14, 1950	120,227	52,281
January 15, 1949	143,444	61,788

Strikes on Monongahela Connecting and South Buffalo

Because the Monongahela Connecting discharged a conductor after a brakeman in his crew was killed early last year by explosion of a home-made bomb, the Brotherhood of Railway Trainman called

a strike against the road effective at 6 a.m. on January 21, which lasted for approximately 24 hrs.

The dispute between the M.C. and the union had been the subject of several mediation efforts. After a strike vote had been taken, President Truman last September 15 appointed an emergency board which, on October 7, upheld the discharge of the conductor. Further mediation efforts failed and the strike action resulted. The union charges the conductor—who is held responsible for his train by the company—did not get a fair hearing because the original investigation was conducted by a vice-president instead of a lower ranking officer. Settlement of the strike followed the conductor's reinstatement as a brakeman, without prejudice to his eventual promotion to conductor again.

A 3-day strike of 400 operating employees of the South Buffalo, which had made jobless approximately 11,000 steelworkers, came to an end on January 21. A federal mediator announced that an agreement had been reached but the terms were not disclosed. It was reported the Brotherhood of Locomotive Firemen & Enginemen and the B.R.T. had demanded seven days' pay for a six-day work week, time-and-a-half for Sundays, and three-week vacations after 15 years or more of service.

Deraiment Safety-Guide Derailed Streamliner

The derailment of the streamliner, "City of San Francisco," on the Chicago & North Western at Ames, Iowa, on October 3, 1949, was caused by "inadequate clearance between a derailment safety-guide and the top surface of a track rail," according to the Interstate Commerce Commission's report on its investigation of the accident. The report, by Commissioner Patterson, noted that the accident prompted the C. & N. W. to issue instructions calling for removal of derailment safety-guides from pedestal tie-bars of all its equipment.

The accident resulted in the death of one passenger, and the injury of 22 others and of 3 dining-car employees. It was the second derailment of its kind to be investigated recently by the commission, the previous one having been that of the Union Pacific's "Los Angeles Limited" near Emory, Utah, on May 20, 1949 (see *Railway Age* of August 13, 1949, page 77). After that accident the U. P. issued instructions calling for removal of derailment safety-guides from all its passenger-train cars.

The "City of San Francisco," Train No. 101, was westbound at the time of its derailment. The current of traffic being to the left on the C. & N. W., the train was running on the south track of the road's double-track Iowa division. It consisted of three Diesel-electric locomotive units coupled in multiple-unit control and 15 cars—three head-end cars followed, in turn, by 2 coaches, a chair car, 2 diners, a lounge car, and 6 sleepers.

At Ames, where the accident occurred, the layout of tracks includes a crossover between the westward and eastward main tracks and a siding which parallels the main tracks on the south. The west switch of the cross over and the east switch of the siding are located in the westward main track. They are 17 ft. apart, the crossover switch being the first over which westbound trains pass. The derailment safety-guide which caused the accident was on the right front pedestal of the rear truck of the fourth car (the first of the two coaches); and that truck was derailed 22 ft. east of the crossover switch. The 11 following cars were derailed at the frog of the siding turnout. The train was traveling 45 m.p.h., 5 m.p.h. below its 50 m.p.h. limit.

Three cuts of freight cars were on the siding, and the easterly car of each cut was struck by the left rear portion of the derailed train's fourth car and the left front portion of its fifth car. "Practically all" of the casualties occurred in the fifth car, the report said. At a rail-highway grade crossing, 785 ft. west of the point of derailment, the sixth to eleventh cars, inclusive, were derailed. The train stopped with the front end of the first Diesel-electric unit 2,385 ft. west of the point of derailment, the engineman having made an emergency application of the brakes when he felt "unusual" movements of the cars.

All cars remained upright, and all stopped in line with the westward main track, except the fourth and fifth which were partly on the siding. All cars were equipped with tightlock couplers, and all remained coupled. The fourth and fifth cars were "badly damaged," while six of the other 10 derailed cars and six of the

freight cars on the siding were "slightly damaged."

As the commission's report pointed out, the purpose of a derailment safety-guide is to guide the truck close to the rail in case of derailment. The report also gave this description of the device:

"The pedestal tie-bar with derailment safety-guide is 24½ in. long. It is 6 15/16 in. wide across the top, and has a vertical flange which extends downward 3¼ in. The horizontal and vertical portions are ¾ in. thick. The derailment safety-guide is secured to the pedestal legs with turned bolts 1 in. in diameter, spring washers and U-shape safety clips."

The investigation indicated that the derailment safety-guide on the right front pedestal of the fourth car's rear truck had been in contact with the rails of the crossover. This was determined from marks on the rails and on the guide which broke off its pedestal but was recovered after the accident. The report put it this way:

"The marks on the west turnout of the crossover and the corresponding marks on the derailment safety-guide indicate that the right front safety-guide first came in contact with the rails of the turnout at points where the gage side of the north rail of the westward main track was about 14 in. distant. After the outside vertical face of the safety-guide came in contact with the gage side of the north lead-rail of the turnout, a force was exerted by the north lead-rail against the outside face of the safety-guide. This force increased as the distance between the north lead-rail and the north main-track rail progressively decreased, then the south rail was canted outward, the flange of the left front wheel of the truck climbed to the top surface of the south rail and at a point 9 ft. 2 in. westward



It's quite a trick to get the chief executives of 10 railroads together at once, but Harry A. Robertson, assistant traffic manager of the Denver & Rio Grande Western at St. Louis, Mo., did it on January 9, when he arranged a luncheon at the Missouri Athletic Club in honor of D. & R. G. W. president Wilson McCarthy and traffic vice-president F. C. Hogue. Guests at the luncheon, left to right, included (seated) James Davies, Alton & Southern; P. J. Neff, Missouri Pacific; Mr. Hogue; Mr. McCarthy; and Clark Hungerford, St. Louis-San Francisco; (standing) Armstrong Chinn, Terminal Association of St. Louis; H. W. Ward, Illinois Terminal; Arthur K. Atkinson, Wabash; Arthur E. Wright, Manufacturers; F. W. Green, St. Louis Southwestern, and Donald V. Fraser, Missouri-Kansas-Texas



Photo courtesy of Walter Lucas

This new passenger station on the Erie's main line at Hawthorne, N. J., was officially opened on January 19. It was built by the Albert P. Schmidt Company of Midland Park, N. J., in connection with a grade separation project

the wheel dropped outside the rail. At the point of derailment the north lead-rail of the turnout was $\frac{7}{8}$ in. higher than the north rail of the westward main track."

C. & N. W. specifications provided that the bottom surface of derailment safety-guides should be not less than $4\frac{1}{2}$ in. above the level of the top surface of the rails—when truck springs are in normal compression and wheels are of full contour. They further provided that a minimum clearance of $3\frac{3}{4}$ in. "must be maintained at all times."

Measurements taken after the accident, with the involved truck standing on the westward main track at the point of derailment and the springs under normal compression, disclosed that there was only $1\frac{1}{8}$ in. clearance between the bottom of the safety-guide and the top of the crossover rail, the report said. It added:

"When this type of equalizer spring is under normal compression, it is possible to compress it an additional distance of at least 2 in. before it is fully compressed. The maximum compression would occur when the car was rolling laterally when the train was in motion. At the maximum compression the bottom surface of the derailment safety-guide would be at least $\frac{7}{8}$ in. lower than the top surface of the crossover rail."

Intrastate Rate Cases

The Interstate Commerce Commission has instituted an investigation to determine whether discrimination against interstate commerce has resulted from the Alabama Public Service Commission's failure to authorize intrastate freight-rate increases in line with the Ex Parte 166 and Ex Parte 168 increases in interstate rates. The investigation docketed as No. 30455, was sought in a petition filed November 10, 1949, by railroads serving Alabama.

The I.C.C. has received from Examiner A. J. Banks a proposed report recommending findings to the effect that unjust discrimination against interstate commerce has resulted from the failure

of the Florida Railroad and Public Utilities Commission to authorize intrastate increases in line with the Ex Parte 166 advance. This case is docketed as No. 30140.

Frisco Truck-Leasing Plan Found O.K. by I.C.C.

Division 2 of the Interstate Commerce Commission has found "just, reasonable, and not otherwise unlawful," amounts paid by the Frisco Transportation Company, subsidiary of the St. Louis-San Francisco, for lease of trucks used in transportation of baled cotton from gin origins to compress points served by the parent railroad. The division's report was in the No. 30053 proceeding, an investigation of the leasing plan which the commission instituted on its own motion in August, 1948.

As Division 2 described it, the plan involves the lease by the Transportation Company of trucks from private owners, and independent truckers, located throughout the cotton-producing area of southeastern Missouri and northeastern Arkansas. The leases are for the duration of the cotton shipping season, and the trucks are used to transport the cotton to compress points served by the railroad "for further compression and outbound shipment by rail, in carload lots, under a transit arrangement which makes the final basis of charge the carload rate from the gin station to the transit destination, applied to the actual weights of the l.c.l. shipments (by truck) into the compress point."

The lessors furnish the drivers and pay the costs of operating the trucks; but the Transportation Company bears such costs as damage claims resulting from collisions, insurance of the cotton while in possession of the railroad, and policing of the truck equipment. In some instances, the cotton transported in the leased truck is owned by the lessor of the truck, the commission pointed out.

In approving the arrangement, the commission found that all phases of it are covered by proper tariffs. The report also

included discussion indicating that the commission was convinced that the truck-rental payments called for by the leases were arrived at in "arms-length" bargaining; and that the plan has resulted in economical and efficient handling of the cotton traffic involved. The investigation was discontinued by the order accompanying the report.

Waterman Gets Permanent Right to Carry Passengers

The Waterman Steamship Corporation, operator of the Arrow Line, has been granted permanent authority by Division 4 the Interstate Commerce Commission to add passenger services to its present freight operations, which include inter-coastal services between Atlantic and Pacific ports and coastwise services along both seaboard. A few months ago, the water carrier obtained like authority on a temporary basis, pending the commission's action on its application for the permanent rights.

The latter exclude any right to carry passengers between Baltimore, Md., and Norfolk, Va., and Newport News. This exclusion was proposed by Waterman in an amendment to its application, and the only protesting water carrier (Baltimore Steam Packet Company) was satisfied. The Atlantic Coast Line also filed a protest, but withdrew it after learning that only the transportation of passengers was involved.

Louis Hood Dies

Louis Hood, who retired in January, 1949, from the position of head valuation engineer of the Bureau of Valuation, Interstate Commerce Commission, died in Washington, D. C., on January 21. He was 64 years of age. At the time of his retirement, Mr. Hood had been a member of the commission's valuation staff for 35 years, having entered the service in January, 1914, as one of the original assistant field engineers.

New Steamship Line Would Enter Atlantic-Gulf Trade

Agwilines, Inc., and the Southern Steamship Company, two steamship lines that formerly operated between Atlantic ports and the Gulf of Mexico, have asked the Interstate Commerce Commission for authority to transfer their operating certificates to the Atlantic Coast Steamship Company, a newly organized firm proposing to initiate weekly cargo and passenger service between all main ports of call along the Atlantic coast and the Gulf.

The Atlantic company, which stated in the applications that adequate service is "non-existent" at present, would place four new vessels in service, with each vessel equipped to carry 382 passengers in addition to 5,280 linear feet of cargo space. Initial operations would provide for two departures weekly each way between New York and Houston, Tex., and one between Philadelphia, Pa., and

Houston. The Atlantic company also said it would propose a \$75 one-way passenger fare which would include berths and meals. If the I.C.C. approves transfer of the operating rights, Atlantic will pay \$17,000 to Agwilines and \$8,000 to the Southern company for their respective certificates.

The applications stated the new vessels to be placed in service would cost approximately \$10,000,000 each, and that the United States Maritime Commission would advance 87½ per cent of this cost under a 20-year 3½ per cent mortgage.

Lack of Transportation Policy "Disturbing," Says Erie Chief

Members of the Mid-West Shippers Advisory Board were warned on January 19 at Chicago that, as specialists in transportation, they could expect to be called upon again to aid in moving military supplies and personnel in case of an emergency and, therefore, should urge adoption of a national policy that would insure a strong and efficient transportation industry. The speaker was Paul W. Johnston, president of the Erie and former brigadier general on General MacArthur's staff in Australia, who spoke at a luncheon sponsored by the board and the Traffic Club of Chicago, in connection with the former's 26th annual meeting.

Mr. Johnston stated:

"Just as our nation must depend on scientists to keep well in advance on atomic research, so it must depend on you in the transportation field to have available an efficient transportation plant and the transportation 'know-how' that are vital to national security. It is disturbing to know that our country has no sound transportation policy. We who, in case of national emergency, will be expected to assist in operating this transportation machine, certainly have a vital interest in its future. We don't want to be in the position of the man who must start on an emergency trip knowing that his automobile has poor brakes, badly worn tires and an unreliable engine."

The Erie president pointed out that, despite recognition by President Truman as late as last August of the importance of an adequate, low-cost transportation system to the nation's economic and military well-being, the "state-of-the-union" message failed to mention the need for a sound federal transportation policy. "Yet any nation is only as strong as its transportation system and wars have been won or lost depending upon the adequacy of transportation," he added.

The speaker emphasized that a sound federal transportation policy must result from studies of costs which include all items recognized as good accounting practice. He related an incident wherein a railroad representative of a foreign country attempted to compare the operating costs of a state-owned railroad with those of America's railroads, without adding taxes and depreciation to his figures. This, said Mr. Johnston, bears a remarkable similarity to discussions about

the comparable costs of various forms of transportation in our own country.

Better less-carload service would result if shippers would route shipments only to the first break-bulk point, R. H. Thompson, general traffic manager of the Maytag Company, stated during the board's general session. This was the principal recommendation of the I.C.C. committee, which felt that railroad forces at break-bulk points would be in the best position to know what further routing would provide the fastest service and the fewest transfers. Mr. Thompson suggested that traveling freight agents acquaint themselves with I.C.C. schedules, and make special efforts to solicit merchandise traffic.

A. A. Gutzmer, general supervisor of stations, Chicago, Burlington & Quincy, stated that there are now more overhead merchandise cars in the Midwest territory than at any time since 1947. He added that it would be helpful if manufacturers would load whole cars for general areas, so that all shipments could move with carload dispatch to central break-bulk points near destination. Mr. Gutzmer, concurring with Mr. Thompson's recommendation that shippers specify only the initial routing, stated that a recent check of freight in one I.C.C. car revealed that 59 shipments therein were routed so they would receive service inferior to the best available.

J. J. Mahoney, general superintendent of transportation, Atchison, Topeka & Santa Fe, stated for the railroad contact committee that there were no car shortages in the board's territory, and that the car supply was the best since the start of the war. The Car Service Division of the Association of American Railroads is attempting to speed return empty movement of covered hoppers, he said.

Irving M. Peters, general chairman, national management committee, reported that estimates for the year 1949 indicate real progress in reduction of loss and damage. Total claims will be down about \$20 million from 1948, to a total of \$115 million, a reduction of approximately 14.5 per cent. The suspense account at year's end was down about 40 per cent, and the number of new claims filed during the year was 25.5 per cent under 1948.

ORGANIZATIONS

The Midwest Chapter of the American Materials Handling Society will present a three-day conference and equipment exhibit in conjunction with the Illinois Institute of Technology's Industrial Engineering department at the institute's new chemical and metallurgy building, 3350 S. State st., Chicago, January 30 through February 1. There will be panel discussions, including a railroad trans-

portation panel with J. L. Webb, manager, stations and motor service, Pennsylvania, and W. L. Ennis, assistant to vice-president, Chicago, Milwaukee, St. Paul & Pacific, as co-chairmen, and field trips to Chicago plants, including the Milwaukee's Galewood station. There will also be a banquet at the Hotel Sherry on January 31, with Victor Perry, British authority on materials handling, as guest speaker.

Nearly 700 business leaders of the upper midwest attended the "Freedom Dinner" held in Minneapolis, Minn., on January 25 under the sponsorship of a Twin Cities Committee headed by the Transportation Association of America and Whitney H. Eastman, vice-president of General Mills, Inc. (See *Railway Age* of January 14, page 45).

The forty-third annual dinner of the Traffic Club of Washington, D. C., will be held on February 8 at the Statler Hotel in that city. The speaker will be Major General Carl R. Gray, Jr., administrator of veterans affairs. General Gray is a former vice-president of the Chicago & North Western, and he served during World War II as director of the Military Railway Service in the European theater.

The organization meeting of the Northern Ohio Forum of the Transportation Association of America will be held at Cleveland, Ohio, on January 31. The Cleveland Chamber of Commerce will join the T. A. A. in sponsoring the meeting, while the sponsorship committee includes L. L. White, president of the New York, Chicago & St. Louis, and R. E. Woodruff, chairman of the Erie. On February 10 the T. A. A.'s Coordinating Committee, with representatives of six forms of transportation and of the association's user and investor panels, will meet at the New York Traffic Club.

The Traffic Club of New York will hold its annual dinner at the Hotel Commodore on February 16.

EQUIPMENT AND SUPPLIES

FREIGHT CARS

Cost of U. P. Freight Car Program Set at \$23,000,000

Acquisition by the Union Pacific of 4,000 freight cars, as noted in the *Railway Age* of January 21, page 56, will cost approximately \$23,000,000 and give employment to 645 additional railroad shop men. The road will build 1,500 50-ton box cars at Omaha, Neb., 1,000 at Grand Island, Neb., and 500 stock cars at Denver, Colo. One thousand gondola

cars are to be constructed by the General American Transportation Corporation.

The **Fruit Growers Express Company** has ordered 100 50-ton 50-ft. refrigerator cars from its own shops for delivery early next spring.

The **New York Central** is reported to be inquiring for 500 to 2,000 50-ton, 40½-ft. steel box cars and 500 to 1,500 70-ton gondola cars.

The **St. Louis-San Francisco** has ordered 40 70-ton covered hopper cars from the Pullman-Standard Car Manufacturing Company.

LOCOMOTIVES

The **Central of Georgia** is inquiring for five 1,500-hp. road-switching and two 2,000-hp. passenger Diesel-electric locomotive units.

The **Jersey Central Lines** have ordered 24 Diesel-electric locomotive units costing \$3,104,815. The American Locomotive Company will build eight 1,500-hp. general utility units (five of which are for the Central of Pennsylvania), and five 1,000-hp. switching units. Fairbanks, Morse & Co. will construct four 1,500-hp. general utility units. The remaining units, all for the C. of Pa., will be 1,000-hp. switchers, four of which were ordered from the Electro-Motive Division of General Motors Corporation and three from the Baldwin Locomotive Works. The new motive power, all scheduled for delivery within the next six months, will take over the duties performed by 47 steam locomotives, the road said.

The **New York Central** has requested bids for the manufacture of Diesel-electric switching, road-switching and passenger locomotive units aggregating over 100,000 horsepower.

The **Southern** has ordered 21 1,500-hp. Diesel-electric locomotive road units from the Electro-Motive Division of General Motors Corporation. Delivery of the locomotives, which will cost about \$3,500,000, is expected to begin in April.

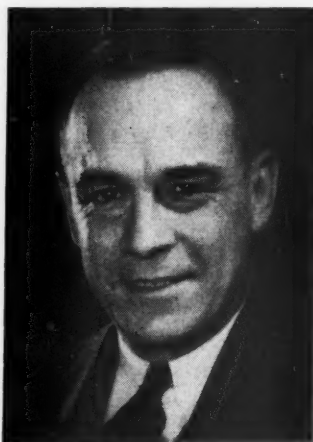
SIGNALING

The **Missouri Pacific** has ordered equipment from the General Railway Signal Company for installation of an NX electric interlocking at Memphis, Tenn. The control machine will have a 24-in. by 37-in. panel, equipped with 8 track-indication lights, 13 entrance knobs, 13 exit buttons, and 8 switch test keys, for control of 13 switch machines and 13 signals. Included in this order are type L dwarf signals, model 5D electric switch machines, type K relays and type B plug-in relays.

SUPPLY TRADE

As reported in the *Railway Age* of January 21, **J. S. Crane**, vice-president and secretary of the **Simmons-Boardman Publishing Corporation**, has been assigned to manage advertising sales for the company's transportation publications, and **J. R. Thompson**, vice-president in charge of advertising sales, transportation papers, in the Western district, has been appointed assistant manager, advertising sales, transportation papers, in addition to his present duties.

Mr. Crane was born at Decatur, Ga.,



J. S. Crane

on September 4, 1895, and educated at Tech high school, Atlanta, Ga., and the Georgia Institute of Technology, where he majored in mechanical engineering. Upon leaving Georgia Tech, he entered the United States Army in June, 1917, serving until January, 1919. From October, 1920, to June, 1924, he was con-



J. R. Thompson

nected with the supply catalog division of R. R. Donnelly & Sons at Chicago; from 1925 to 1927 with the McGraw-Hill Publishing Company; and from 1927 to 1930 with Domestic Engineering, a trade publication in the plumbing and heating fields. He joined Simmons-Boardman at Chicago on November 21, 1931, and

for the next seven years was engaged in circulation, promotion and sales work for the *American Builder*, Simmons-Boardman building magazine. In December, 1938, he was transferred to New York as eastern sales manager of *American Builder*, which position he held until assuming his present assignment. Mr. Crane was elected a vice-president of Simmons-Boardman on February 9, 1942; a director on February 13, 1945, and secretary on August 18, 1948. In addition to managing advertising sales for *Railway Age*, *Railway Engineering and Maintenance*, *Railway Mechanical and Electrical Engineer* and *Railway Signaling and Communications*, Mr. Crane will supervise research and promotion on all the company's publications. He will continue to maintain headquarters at New York.

Mr. Thompson, who will maintain his present office in Chicago, will report to and assist Mr. Crane in management of advertising sales. A photograph of Mr. Thompson and an outline of his business career appeared in the *Railway Age* of May 28, 1949.

John C. Hampson, formerly Indiana field representative for the special chemicals department of the **Pennsylvania Salt Manufacturing Company**, has been appointed sales manager for the department's newly formed Chicago district. The new sales district, with offices at 20 N. Wacker drive, will include the present Wisconsin, Illinois, Indiana and Missouri territories.

James F. McCartney, formerly eastern district sales manager of the **Duff-Norton Manufacturing Company**, at New York, has been appointed general sales manager, with headquarters at Pittsburgh, Pa. He will be in charge of all industrial, mining and railroad sales of Duff-Norton jacks. (A photograph of Mr. McCartney and a sketch of his career appeared in the *Railway Age* of April 9, 1949, page 71.)

Lewis B. Rhodes, in charge of the government and marine department of the **Vapor Heating Corporation**, has retired after 31 years of service.

Addison J. Sevin, general traffic manager of the **Pittsburgh Plate Glass Company** since 1931, has retired after 50 years of service in the traffic department.

The **Graybar Electric Company** has divided its southwestern district, at Dallas, Texas, into two units, the new district being called the Gulf Coast district, with headquarters at Houston, Texas. Both districts will continue to operate under the supervision of **G. T. Marchmont**, district manager. Branch houses reporting to Houston will be Beaumont, Texas, and Corpus Christi; New Orleans, La.; and Jackson, Miss. Branch houses continuing to report to Dallas are San Antonio, Texas, Fort Worth, and Amarillo; and Shreveport, La. **J. E. Fontaine**, formerly Houston manager, has been appointed assistant district man-

ager in charge of the new district; **A. W. Palin**, formerly operating manager at Houston, has been appointed district operating manager for Houston and its branches; and **R. B. Hamilton**, formerly credit manager at Houston, has been appointed credit manager for the new district.

Harvey B. Jordan, formerly assistant vice-president in charge of operations of the **American Steel & Wire Co.**, has been elected vice-president in charge of operations.

Stephen M. Jenks, formerly manager of operations for the Chicago district of the **Carnegie-Illinois Steel Corporation**, a subsidiary of the **United States Steel Corporation**, has been elected vice-president in charge of operations.

William Kusz, supervisor of industrial advertising for **Caterpillar Tractor Company**, Peoria, Ill., has been appointed supervisor of cooperative advertising, succeeding **K. M. Emery**, who has resigned to join an advertising firm at Peoria. Appointed to succeed Mr. Kusz is **Wendell J. Farischon**, news editor of the firm's news service. **Jerry Cook**, news writer, has been advanced to succeed Mr. Farischon, with the title of supervisor of news writers. Mr. Kusz graduated from the University of Illinois in 1938. Before the war he served in Caterpillar's accounting department, entering the army in 1942. When he returned to the company in 1946, he became logging representative in the sales development division. He was appointed supervisor of industrial advertising in August, 1948.

Mr. Farischon has been associated with Caterpillar since 1946, when he became a news writer for the company. In August, 1947, he was promoted to news editor.

A graduate of the University of Illinois, Mr. Cook was assistant picture editor of the Chicago Sun-Times before the war. During the war he served as a public relations officer for the Tenth Air Force in China, subsequently becoming public relations representative for the Veterans Administration in Chicago. He joined Caterpillar in August, 1947.

Col. A. L. Bartlett, formerly engineer maintenance of way of the New York, New Haven & Hartford, has joined the sales department of the **F. Burkart Manufacturing Company**, railroad tie pad division. Colonel Bartlett will represent the company in eastern territory.

Leo Karpen, president of **S. Karpen & Bros.** since 1937, has been elected chairman of the board of directors, and **Robert G. Brooks**, vice-president and general manager of the transportation seating division, has been elected president, to succeed Mr. Karpen. Mr. Brooks will maintain his position as general manager of the transportation seating division in addition to his new executive duties.

Also elected were **J. Karpen** as first vice-president, **Carryl L. Weil**, second

vice-president, and **Harry M. Karpen**, as third vice-president of the company.

Mr. Karpen will retain management of the New York office and showroom; Mr. Weil will continue as general manager of the furniture divisions; and Mr. Harry Karpen as general manager of the Karpen Mattress Division, at Chicago. The appointment of **Herbert N. Adams**, as advertising manager in addition to his duties as assistant sales manager, also was announced. Mr. Adams succeeds Miss **N. V. Field**, who has retired after nearly 50 years of service.

CONSTRUCTION

Atchison, Topeka & Santa Fe.—This road has awarded a contract to **Martin K. Eby Construction Company**, Wichita, Kan., for construction of a new freight house at Pueblo, Colo.

Chicago, Rock Island & Pacific.—This road has applied to the I.C.C. for permission to construct approximately 3.9 mi. of new line in Denver and Adams Counties, Colo. The proposed line will permit the Rock Island to go into the new Denver & Rio Grande Western yards in north Denver where the latter road now handles all its train yard work for the area. The Rock Island has no terminal facilities of its own in Denver but has a terminal rights agreement with the D.&R.G.W. under which the D.&R.G.W. performs all Rock Island switching service, including freight house, industry and interchange service.

Grand Trunk Western.—This road has awarded a contract to **Darin & Armstrong, Inc.**, Detroit, Mich., for construction of a new one-story passenger station at Royal Oak, Mich. The main building will measure 75 ft. by 25 ft., with a 40-ft. by 23-ft. waiting room.

Great Northern.—This road has authorized the following projects, estimated costs of which are shown in parentheses: Install material tracks for store department, Grand Forks, N. D. (\$24,400); remodel wheel shop, St. Paul, Minn. (\$85,550); remove terminal facilities, Glasgow, Mont. (\$20,600); install shop blasting equipment in car shop (\$54,600) and replace stokers with oil burner in power plant (\$21,700), Superior, Wis.; install oil burning boiler, Breckenridge, Minn. (\$62,400); replace stokers with oil burners in power plants at St. Cloud, Minn. (\$20,850) and at Willmar, Minn. (\$24,100); replace coal boilers with oil, Kelly Lake, Minn. (\$42,950); replace walks to approaches of ore docks, Al-louez, Wis. (\$92,000); replace four steel spans of bridge No. 463, Lowell, Wash. (\$28,000); and replace three steel spans of bridge No. 462, Snohomish, Wash. (\$20,000).

ABANDONMENTS

Chesapeake & Ohio.—The I.C.C., noting that the application had been withdrawn by the road, has dismissed this company's application for authority to abandon its 14.2 mi. of passenger ferry operations in the Norfolk, Va., area. The ferry, which the C.&O. proposed to replace with motor bus service, operates from the road's terminal at Newport News, Va., to its stations in Norfolk and Portsmouth. The now-withdrawn application had stated that substitution of bus service would save \$380,000 a year in operating expenses. (See *Railway Age* of October 1, 1949, page 60.)

International.—Examiner A. G. Nye has recommended to the I.C.C. that it permit this road, now in reorganization, to abandon approximately 4.6 mi. of track at Lockport, N. Y.; abandon operation under trackage-rights over 0.7 mi. of New York Central track at Lockport (Lowertown); and abandon operation over 13 mi. of track leased from the Erie between North Tonawanda, N. Y., and Lockport. Freight traffic, the I.R.R. said, accounts for less than 1.5 per cent of its gross revenue, and this abandonment, if finally approved, will terminate the last freight operation on the road. Passenger service in this area was discontinued some time ago. The Erie expects to resume freight service over its own line, and the N.Y.C. will continue to serve industries in the Lowertown area at Lockport. Examiner Nye also recommended to the commission that it reject a contention of the International trustees that the road is a local transit company not subject to the Interstate Commerce Act.

New York, Susquehanna & Western.—Having been advised that the New York Central had agreed to increase its payments to the Susquehanna for the latter's handling of Central cars under trackage-rights arrangements in the Edgewater, N. J., terminal area, the I.C.C. has found that public convenience and necessity would not permit abandonment of operations under the trackage rights involved. The finding was made in the commission's report on reconsideration in the Finance Docket No. 15795 proceeding, which involved the Susquehanna's application for a certificate authorizing the abandonment. The commission's prior report in the case (see *Railway Age* of October 22, 1949, page 64) found that the application should be granted unless the Central agreed to the higher scale of payments. The present report said that an agreement on the basis contemplated by the prior report had been entered by the two roads on December 30, 1949.

Norfolk Southern.—Examiner Lucian Jordan has recommended that the I.C.C.'s Division 4 permit this road to abandon 9.4 mi. of branch line between

Bayboro, N. C., and Oriental. The examiner found that the line would have to be "substantially rebuilt" if traffic increased in the future as much as claimed by shippers who oppose the abandonment. The branch serves a potato growing area and pulpwood timber tracts owned by a paper mill. The N.S. estimates it would need \$90,000 annual gross from the branch to warrant repair and continued operation; Examiner Jordan said that although the paper company contemplates enlarged cutting operations, the road's income cannot be expected to go above one-half that amount.

Division 4 of the Interstate Commerce Commission has authorized:

Union Pacific.—To abandon operation of a 1.5-mi. line in Cassia county, Idaho. The line is owned by the U.P.'s lessor, the Oregon Short Line, and its abandonment by the latter was also authorized. Sugar beet traffic formerly moved over the branch has now been lost, the report said, although a previous (1942) abandonment application was denied by the commission because of the wartime sugar shortage.

FINANCIAL

Alleghany Corporation.—*Stock Exchange.*—This company has announced acceptance of tenders of 1,420 shares of its prior preferred stock and 31,185 shares of its series A preferred stock in exchange for which it will give out of its portfolio 3,523 New York, Chicago & St. Louis preferred shares, 51 Kansas City Southern preferred shares, 71,612 North American Company capital shares, 755 Long Island Lighting Company 6 per cent preferred shares, 39,939 American Power & Light Co. capital shares (when distributed), and approximately \$69,600 in cash.

Gulf, Mobile & Ohio.—*Bonds.*—The I.C.C. has modified collateral requirements of a May 24, 1948, order so this road may actually issue \$81,750 of first and refunding mortgage 4 per cent bonds, series B, due 1975. As security for the issue the G.M.&O. will pledge \$109,000 of New Orleans Great Northern first mortgage 5 per cent bonds, series B, due 1983. Under the original order the G.M.&O. was authorized to issue \$1,000,000 of the first and refunding mortgage bonds, pledging as security for them a like amount of N.O.G.N. first mortgage 5 per cent bonds, series A, due 1983. Having been unable to acquire the necessary amount of the N.O.G.N. A's, the G.M.&O. asked permission to go ahead and issue \$81,750 of its bonds, using the N.O.G.N. B's as basis for this much of the issue.

Houston Belt & Terminal.—*Terminal Unification Plan.*—Examiners Jerome K. Lyle and W. P. Starr have recommended

in a proposed report that Division 4 of the I.C.C. approve various transactions contemplated by agreements which this company and seven other roads serving Houston, Tex., have entered for the purpose of unifying terminal facilities and operations there. Applicants, in addition to the Belt, are the Gulf, Colorado & Santa Fe, subsidiary of the Atchison, Topeka & Santa Fe; Fort Worth & Denver City, subsidiary of the Chicago, Burlington & Quincy; Chicago, Rock Island & Pacific; and four constituents of the Missouri Pacific System, i.e., the International-Great Northern, the Beaumont, Sour Lake & Western, the St. Louis, Brownsville & Mexico, and the Sugar Land.

Generally, the agreements provide for changes in ownership of the Belt, enlargement of its facilities by lease of properties from the other parties, and greater use by the latter of the Belt as their switching agency (see *Railway Age* of June 11, 1949, page 64). The proposed changes in ownership of the Belt include acquisition by the Denver City and the Rock Island of the 25 per cent stock ownership now held by the Burlington-Rock Island, each of the buyers acquiring a 12½ per cent interest. The remaining 75 per cent of the Belt's stock is owned in equal parts by the Beaumont, the Brownsville, and the G.C.&S.F. The proprietary roads would also guarantee the Belt's first-mortgage bonds outstanding in the amount of \$3,085,000. The examiners would have the commission approve all of the foregoing as well as other phases of the unification plan which also includes provisions for the pooling of demurrage revenues and the division thereof.

Illinois Central.—*Declares First Common Stock Dividend in 19 Years.*—A break of 19 years in payment of dividends on I. C. common stock was ended last week when the directors voted, for the first two quarters of 1950, dividends totaling \$1.50 per share, payable July 1, 1950, to stockholders of record June 7, 1950. The last previous common dividend was paid on September 1, 1931. The board also voted to pay the full 6 per cent dividend for 1950 on the preferred stock.

Prior to suspension of common dividends in 1931, the I. C. paid dividends on its common stock in every year from 1860 to 1931, inclusive, a 72-year record surpassed at that time by only one other railroad. Dividends on the preferred stock were also suspended in 1931, but were resumed in 1948 at the fixed rate of 6 per cent a year. A preferred stockholders' suit, in which an injunction is sought against declaration and payment of any common dividends while alleged dividend arrears on preferred stock remain unpaid, has been definitely set for trial for April 24, 1950.

Commenting on the board's action, Wayne A. Johnston, I. C. president, said that "certain things had to be accomplished and certain obstacles overcome" before the common stock divi-

dends could be restored. The most important of these, among others, were: (1) Recovery of earnings from the lows of the depression years of the 1930's; (2) necessary improvements in physical properties of the railroad to meet wartime and postwar requirements; (3) reduction of debt and fixed charges to lessen the hazard of not being able to meet all obligations if traffic and revenues decline; and (4) consolidation and simplification of corporate and financial structures of system companies, including the refinancing of debt to take care of near-term bond maturities. "These conditions have been met, or are now being worked out," he said.

Montana, Wyoming & Southern.—*Bond Modification.*—Plans to modify this road's first mortgage gold bonds under provisions of the so-called Mahaffie Act (now section 20b of the Interstate Commerce Act), have received final approval from the I.C.C. following notice to the commission that holders representing 86 per cent of the bonds have approved the plan. Acceptance had to be by holders representing a minimum of 75 per cent of the aggregate principal amount of the bonds. Modification of the bonds, as thus approved, includes paying \$350 in cash on each bond outstanding, and extending the maturity date on the unpaid balance from September 1, 1949, to September 1, 1959. This unpaid balance will be \$500, on which the road will pay a fixed 3 per cent interest rate plus cumulative contingent interest up to 2 per cent a year, depending upon earnings. There are also sinking fund provisions, and a requirement that no dividends be paid on the road's common stock until all the bonds are retired. (See *Railway Age* of August 6, 1949, page 65).

St. Louis-San Francisco.—*Merger of Lessors.*—The I.C.C. has approved this road's plan to acquire the properties of four of its lessors, to dissolve the four companies, and to cancel all their outstanding shares of stock. The roads involved are the Butler County, the Jonesboro, Lake City & Eastern, the Miami Mineral Belt, and the St. Louis, Kennett & Southeastern.

All capital stock of the roads, as well as bonds outstanding against the Jonesboro and the Kennett, are owned by the Frisco. (See *Railway Age* of December 10, 1949, page 74). Simplification of its corporate structure and savings in taxes and other expenses are expected to result from the merger, the Frisco said.

Western Maryland.—*Merger of Subsidiaries.*—The I.C.C. has approved a merger plan under which this road will acquire the property, franchises and other assets of seven wholly owned subsidiaries and will dissolve the subsidiaries. The merger, which will simplify corporate structure of the W.M. and result in minor savings to the road, is being consummated so that assets thus ac-

quired can be subjected to the direct lien of the road's new general mortgage. (See *Railway Age* of January 7, page 282.) The companies to be dissolved are the Greenbriar, Cheat & Elk; Somerset Coal; Fairmont Helen's Run; Fairmont Bingamon; Chaffee; Cumberland; and Western Maryland Railroad Terminal Company. Of these roads only the Greenbriar property is encumbered, and the W.M. proposes to clear that indebtedness as a part of its general mortgage plan.

New Securities

Applications have been filed with the Interstate Commerce Commission by:

Denver & Rio Grande Western.—To actually issue \$634,400 of 4½ per cent series A income mortgage bonds due January 1, 1918, nominally issued in April, 1947, but held in the company's treasury since that date. The road proposes to sell these bonds at not less than 65, and use the proceeds to buy other series A bonds which will be delivered under sinking fund requirements to the mortgage trustee from time to time in lieu of cash. This move is expected to conserve by "a substantial amount" the road's cash resources. The entire issue of series A bonds, of which this \$634,400 is a part, was authorized in 1947 by the I.C.C. in connection with the D.&R.G.W.'s refinancing plan. The issue was limited to \$30,723,100, and all bonds were actually issued except the amount covered in this application. Since the latter amount was never issued, and hence not reacquired by the D.&R.G.W., the bonds do not qualify for direct application to the general mortgage sinking fund.

Gulf, Mobile & Ohio.—To assume liability for \$3,570,000 of series E equipment trust certificates to refinance 20 Diesel-electric locomotives and 400 gondola cars originally purchased under conditional sales agreements. Full purchase price of the equipment, amounting to \$4,601,457, is due July 1. The series E certificates, which would be used, together with cash from the road's treasury, to refund this indebtedness over a longer period, would be dated February 15, would mature in 14 annual installments of \$255,000 each, beginning February 15, 1951, and would be sold by competitive bids with the interest rate set by such bids.

Division 4 of the I.C.C. has authorized:

Baltimore & Ohio.—To assume liability for \$11,865,000 of series BB equipment trust certificates to refinance unpaid balances of 15 conditional sales agreements under which this road acquired new equipment between 1944 and 1949. The equipment includes 140 Diesel-electric locomotives and 2,196 freight cars, acquired at a total cost of \$20,385,617. The unpaid balance as of January 1 was \$11,879,898.31. By refinancing this balance the road contemplates savings of \$1,867,956 in 1950 and \$1,450,000 in each of the two following years, thereby making available a substantial sum for road improvements which it says it wants to make. The new certificates will be dated January 1, 1950, and mature in 15 annual installments of \$791,000 each, beginning January 1, 1951. Selling price approved by the commission was 99.646 with interest at 2½ per cent. This bid, by Salomon Bros. & Hutzler and 3 associates, will make the average annual in-

terest cost approximately 2.57 per cent. The certificates were reoffered to the public at prices yielding from 1.35 to 2.7 per cent, according to maturity.

Illinois Central.—To issue \$8,407,000 of 25-year, 3¾ per cent series C consolidated mortgage bonds to be offered in exchange to holders of a like amount of collateral trust 4 per cent bonds due November 1, 1953. The new issue, dated November 1, 1949, will be in addition to \$52,201,000 of consolidated mortgage bonds, series A, B, and C, previously authorized under the road's refinancing plan. (See *Railway Age* of November 5, 1949, page 68, and January 7, page 280.) Under the exchange plan, the new bonds will be exchanged in like principal amounts, with the I.C. making a cash payment of \$25 for each \$1,000 bond exchanged. The collateral trust bonds received by the road under this plan will be pledged under the consolidated mortgage as security for the new issue.

Missouri-Kansas-Texas.—To assume liability for \$1,650,000 of equipment trust certificates, to finance in part 11 Diesel-electric locomotives costing an estimated total of \$2,093,538. (See *Railway Age* of January 14, page 49.) The certificates will be dated February 1, and mature in 30 semi-annual installments of \$55,000 each, payable August 1 and February 1, beginning August 1, 1950. The commission approved a selling price of 98.558 with a 2½ per cent interest rate, which will make the average annual interest cost approximately 2.34 per cent. Successful bid for the issue was made by Salomon Bros. & Hutzler. The certificates were reoffered to the public at prices yielding from 1.2 to 2.6 per cent, according to maturity.

Pennsylvania.—To assume liability for \$10,620,000 of series Y equipment trust certificates, the first installment of a \$20,820,000 issue, the whole of which will finance in part 186 Diesel-electric locomotives. (See *Railway Age* of January 7, page 280.) Total cost of the locomotives is estimated at \$26,033,700. This first installment of \$10,620,000 will be applied against 96 locomotives, costing an estimated \$13,277,700, which are to be delivered in the near future. The certificates will be dated January 1, 1950, and mature in 15 annual installments of \$708,000 each, beginning January 1, 1951. The successful bid for the certificates was made by Halsey, Stuart & Co. and 23 associates, for a selling price of 99.434, with interest at 2¼ per cent, which will make the average annual interest cost approximately 2.35 per cent. The certificates were reoffered to the public at prices yielding from 1.3 to 2.525 per cent, according to maturity.

Southern Pacific.—To assume obligation for \$13,530,000 of series DD equipment trust certificates to finance in part 19 Diesel-electric locomotives, 598 flat cars, and 63 passenger-train cars. Estimated total cost of the new equipment is \$18,059,106. (See *Railway Age* of December 31, 1949, page 51.) The certificates will be dated January 1, 1950, and mature in 15 annual installments of \$902,000 each, beginning January 1, 1951. The commission approved a selling price of 99.655 with 2¼ per cent interest rate — the bid of Salomon Bros. & Hutzler and four associates — which will make the average annual interest cost approximately 2.19 per cent. The certificates were reoffered to the public at prices yielding from 1.2 to 2.4 per cent, according to maturity.

Average Prices Stocks & Bonds

	Jan. 24	Prev. week	Last year
Average price of 20 representative railway stocks..	42.26	41.93	43.54
Average price of 20 representative railway bonds..	91.93	92.05	90.35

Dividends Declared

Atlantic Coast Line.—\$1.00, payable March 13 to holders of record February 13.
 Illinois Central.—Common, \$1.50 (for first two quarters of 1950), payable July 1 to holders of record June 7; preferred, \$3.00, semiannual payable March 1 to holders of record February 7, and \$3.00 semiannual, payable September 1 to holders of record August 7.
 Louisville & Nashville.—88¢, quarterly, payable March 13 to holders of record February 1.
 New York, Chicago & St. Louis.—6% preferred A (accumulated), \$1.50, payable April 1 to holders of record March 3.
 North Carolina.—7% guaranteed, \$3.50, semiannual, payable February 1 to holders of record January 20.
 Western Pacific.—75¢, quarterly, payable February 15 to holders of record February 1.

Investment House Publications

[The surveys listed herein are, for the most part, prepared by financial houses for the information of their customers. Knowing that many such surveys contain valuable information, *Railway Age* lists them as a service to its readers, but assumes no responsibility for facts or opinions which they may contain bearing upon the attractiveness of specific securities.]

Business Week, 330 W. 42nd st., New York 18.

How Bright Do Rails Look? Pretty good, says Wall Street, betting they will do well this year. But 1949 drops in carloadings, revenue, and profits aren't too promising. (See *Business Week* for January 14, 1950, page 76).

Investment Dealers' Digest, 150 Broadway, New York 7.

Restored Railroad Credit. A special survey issued as Section 2 of the *Investment Dealers' Digest* for January 16, 1950. \$1.

Baker, Weeks & Harden, One Wall st., New York 5.

Chicago, Rock Island & Pacific Railroad Company. January 17.

Fahnestock & Co., 65 Broadway, New York 6.

Stock Market Outlook for 1950. January 3.

H. Hentz & Co., 60 Beaver st., New York 4.

Annual Review and Forecast. January.
Railroad Income Bonds, in Fortnightly Investment Letter, January 24.

Hirsch & Co., 25 Broad st., New York 4.
A Review of Business and Financial Conditions: Railroads. January.

L. F. Rothschild & Co., 120 Broadway, New York 5.

Chicago, Rock Island & Pacific Railroad Company. 5% Convertible Preferred Series A (Par \$100). January 17.

Vilos & Hickey, 49 Wall st., New York 5.
Missouri Pacific Railroad. January 7.
Railroad Outlook for 1950. January 23.

RAILWAY OFFICERS

EXECUTIVE

Dean H. Eastman, western counsel for the Northern Pacific at Seattle, Wash., who has been appointed also assistant vice-president at that point, as reported in the *Railway Age* of January 7, is a native of Hot Springs, S. D., where he practiced law and was prosecuting attorney following graduation from the



Dean H. Eastman

University of Nebraska Law School. Mr. Eastman engaged in private practice in Seattle from 1929 until 1936, when he joined the N. P.'s West coast legal staff. He was advanced to assistant western counsel in 1937 and to western counsel in August, 1948, in which post he will continue in addition to his new duties.

L. S. Jeffords, vice-president and general manager of the Atlantic Coast Line, has been elected vice-president—operations, with headquarters as before at Wilmington, N. C. **W. H. Kendall**, assistant to general manager, has been appointed assistant to president, and **R. P. Jobb**, manager of development service, has been appointed assistant vice-president.

L. L. White, president of the New York, Chicago & St. Louis (Nickel Plate) at Cleveland, Ohio, has been elected also chairman of the board.

J. L. Fossick, Jr., purchasing agent of the Tennessee Central, has been appointed also mechanical assistant to the president, with headquarters as before at Nashville, Tenn.

At a meeting of the board of directors of the Ashley, Drew & Northern on January 10, **A. Trieschmann**, president of the road at Chicago, was elected chairman of the board, and **W. B. Anderson**, vice-president, treasurer, manager and auditor at Crossett, Ark., was elected president and general manager. **H. M. Braswell**, assistant secretary, traffic manager and acting superintendent at Cros-

sett, was elected vice-president and traffic manager.

FINANCIAL, LEGAL & ACCOUNTING

Bryce L. Hamilton, whose promotion to general solicitor of the Chicago Great Western at Chicago was reported in the *Railway Age* of January 14, was born in Wells County, Ind., on October 12, 1902. He received his higher education at the University of Chicago, obtaining his Ph. B. degree there in 1923 and his J. D. in 1928. Since 1928 he has been associate or partner in the Chicago law firm of Winston, Strawn, Shaw & Black, and has also served as counsel for a number of railroads. Mr. Hamilton was serving as assistant general counsel of the Great Western at Chicago prior to his recent promotion.

Walter H. Johnson, whose appointment as treasurer of the Railway Express Agency at New York was reported in the *Railway Age* of January 7, was born at New York and began his express career there on February 9, 1907, as a clerk in the accounting department of Wells Fargo & Co., one of the predecessor companies of R.E.A. He held various ac-



Walter H. Johnson

counting jobs during the next decade, including that of foreign correspondent at New York and Chicago. Returning to New York on August 12, 1917, Mr. Johnson entered the treasury department as chief clerk and became assistant to treasurer of R.E.A. on October 16, 1928, which position he held until his recent promotion.

R. G. Streit, comptroller of the Chicago, Indianapolis & Louisville, at Chicago, will retire on January 31, after 41 years of service with the Monon. **Carl A. Bick**, auditor of expenditures of the Chicago, Burlington & Quincy at Chicago, has been elected to succeed Mr. Streit, effective February 1. Mr. Streit was born March 7, 1889, at Chicago, and received his education in public schools. His railroad career began in October, 1907, with the Burlington. He joined the

Monon in October, 1909, entering the accounting department as a voucher clerk. He subsequently advanced through various positions in that department to that of comptroller.

At a meeting of the board of directors of the Ashley, Drew & Northern on January 10, **Lamar Williamson**, secretary of the road at Monticello, Ark., was elected secretary and assistant treasurer, and **Rowland Robb**, assistant treasurer and assistant auditor at Crossett, Ark., was elected treasurer, auditor and assistant secretary.

Roy D. Plumley, treasurer and comptroller of the Rutland at Rutland, Vt., will resign on February 20, to become assistant comptroller of the Bangor & Aroostook at Bangor, Me. Mr. Plumley joined the Rutland on November 1, 1920, and was appointed comptroller on March 1, 1943. He has served also as treasurer since 1945.

OPERATING

P. H. Googe, assistant superintendent transportation of the Savannah & Atlanta, has been appointed superintendent with headquarters as before at Savannah, Ga. The positions of superintendent transportation and assistant superintendent transportation have been abolished and the duties consolidated in the position of superintendent. After serving in World War I, Mr. Googe entered the service of the Atlantic Coast Line in the transportation department at Savannah, joining the S. & A. in October, 1925, and serving successively as chief clerk and trainmaster. After five years service in the Field Artillery and Transportation Corps in World War II he was released from active duty in September, 1945, as a colonel of field artillery, and returned to the S. & A. as assistant superintendent transportation.

Walter T. Truax has been appointed superintendent of passenger transportation, Michigan Central district, New York Central System, with headquarters at Detroit, Mich., succeeding **Henry M. Senff**, who has retired after 48 years of service.

Charles L. Christy, whose promotion to superintendent of the Missouri Pacific at Coffeyville, Kan., was reported in the *Railway Age* of December 17, 1949, was born at Water Valley, Miss., on March 5, 1902. He attended high school in his home town and in May, 1918, entered railroad service with the Illinois Central. Subsequently he held positions as machinist apprentice and machinist on the I. C., Southern Pacific, and M. P., until his appointment as roundhouse foreman with the M. P. in 1928. He was later appointed general foreman on the M. P., and in 1940 was advanced to assistant master mechanic, serving in that capacity successively at Wichita, Kan., and Kansas City, Mo. Mr. Christy was promoted to master mechanic at



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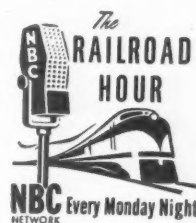
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the latter point in 1943, being appointed mechanical assistant-research, executive department, at St. Louis, Mo., in 1944, which post he held prior to his recent promotion.

C. S. Sanderson, assistant to president of the Atlantic Coast Line, has been appointed general superintendent transportation, with headquarters as before at Wilmington, N. C. A biography and photograph of Mr. Sanderson were published in the *Railway Age* of March 5, 1949, page 70.

L. T. Andrews, general superintendent transportation of the Atlantic Coast Line, has been elected general manager, with headquarters as before at Wilmington, N. C. Mr. Andrews was born at Beachton, Ga., on January 5, 1908, and entered the service of the A.C.L. on May 26, 1925, at Boston, Ga., as clerk, subsequently holding various positions in the transportation department. He was ap-



L. T. Andrews

pointed transportation assistant at Wilmington on July 23, 1941, and on May 31, 1943, was furloughed to the Car Service Division of the Association of American Railroads at Washington, D. C. Mr. Andrews returned to the A.C.L. as transportation assistant on October 1, 1944, and was appointed assistant to general superintendent transportation on February 11, 1947, becoming general superintendent transportation on March 24, 1947.

John C. Starbuck, whose promotion to division superintendent of the Chicago, Burlington & Quincy at Chicago was reported in the *Railway Age* of December 31, 1949, was born at Woodburn, Iowa, on June 13, 1906. At the age of 15 he was employed as a section laborer on the Burlington, working in that capacity until 1926. In the meantime he studied telegraphy and in 1926 became a telegrapher. He left the Burlington in 1931, but later returned to the road and served in various positions until 1936, when he was made extra train dispatcher at Ottumwa, Iowa. He subsequently served successively as dispatcher and night chief dispatcher, becoming train-

master at Ottumwa in May, 1941. The following year he was transferred to St. Joseph, Mo., and in January, 1944, was advanced to assistant superintendent at Chicago. He held the latter post at the time of his promotion.

TRAFFIC

Alexander W. Arnett, whose promotion to general passenger agent of the St. Louis-San Francisco at St. Louis, Mo., was reported in the *Railway Age* of January 7, was born on December 7, 1894, at Fredericktown, Mo., where he received his grade and high school education. Mr. Arnett attended the University of Missouri, entering railroad service as a clerk with the St. Louis Southwestern at Pine Bluff, Ark., in September, 1913. Two years later he joined the Missouri Pacific, and served with that road in various capacities at Hollister, Mo., Pine Bluff, Ark., Albia, Mo., Joplin, Little Rock, Ark. and Monroe, La. In April, 1924, he was appointed ticket clerk for the Frisco, Illinois Central and Chicago, Rock Island & Pacific at Central Station, Memphis, Tenn., and the following October was transferred to Birmingham, Ala., as ticket clerk for the Frisco. Mr. Arnett returned to Memphis in December, 1924, as assistant city ticket agent, and was appointed city ticket agent-passenger agent at Tulsa, Okla., in 1925 and joint city ticket agent at St. Louis in 1927. From 1936 to 1937 he served as passenger representative at Kansas City, Mo., and Dallas, Tex., subsequently being transferred to New York as general eastern passenger agent. He was appointed division passenger agent at St. Louis in 1938 and acting assistant general passenger agent there in 1943. In July, 1944, he was again appointed division passenger agent at St. Louis, becoming assistant general passenger agent, from which post he had been promoted, in October of that year.

J. M. Dillard, division freight agent of the Norfolk Southern at Raleigh, N. C., has been promoted to general Southern freight agent at Atlanta, Ga., effective February 1, with supervision over all the company's offices south of Norfolk, Va. Mr. Dillard, a native of Georgia, joined the N. S. in 1929 as traveling freight agent at Montgomery, Ala., and later held similar positions at Birmingham, Ala.; Memphis, Tenn.; Atlanta; Winston-Salem, N. C.; Wilson and Raleigh.

Perry W. Wilson, whose promotion to general passenger agent of the St. Louis-San Francisco at St. Louis, Mo., was reported in the *Railway Age* of January 7, was born at Lupus, Mo., on November 7, 1895. Mr. Wilson attended Warrensburg, (Mo.) State Teachers College and, prior to entering railroad service, was employed as a clerk in the First National Bank at Kansas City, Mo. In February, 1918, he became a ticket clerk with the Kansas City Terminal at that point. Ex-

cept for United States Navy duty from May, 1918, to March, 1919, Mr. Wilson continued to serve with that road until August, 1921, when he went with the Frisco as ticket clerk at Kansas City. After holding the positions of city ticket agent and city passenger agent there, he was appointed division passenger agent. He was transferred to Chicago as district passenger agent in 1937, and five years later returned to Kansas City as division passenger agent. Mr. Wilson became assistant general passenger agent at St. Louis in May, 1943, which post he held before his recent promotion.

George A. Hoffelder, whose promotion to freight traffic manager in charge of rates and divisions of the Chicago, Burlington & Quincy, at Chicago, was reported in the *Railway Age* of January 7, was born on June 27, 1887, at Cincinnati, Ohio, and entered the service of the Burlington in 1906 as a stenographer to the general agent at Cincinnati. He was subsequently advanced through the positions of rate clerk, chief clerk, freight solicitor and traveling freight agent. In 1917 Mr. Hoffelder was sent to Chicago to assist in the transportation department, later becoming connected with the office of the federal manager at



George A. Hoffelder

the same point during government control of the railroads. In 1920, following termination of federal control, he was assigned as an assistant in the handling of commerce matters, and in 1925 was promoted to assistant general freight agent in charge of commerce matters. In April, 1936, he was made general freight agent in charge of commerce matters, becoming assistant freight traffic manager at Chicago in June, 1936. Mr. Hoffelder was appointed assistant general freight traffic manager, also at Chicago, in January, 1940, and held that position immediately prior to his present promotion.

L. K. Rhoads, general agent of the New York, Ontario & Western, at Kansas City, Mo., has resigned. **L. V. Cooper**, general western freight agent at San Francisco, Cal., has been transferred to

Kansas City. Mr. Cooper will retain his present title and will continue to cover the territory now assigned to the San Francisco office, as well as that included in the Kansas City agency's jurisdiction.

George F. Sherman, Jr., whose promotion to passenger traffic manager of the Atchison, Topeka & Santa Fe at Topeka, Kan., was reported in the *Railway Age* of December 31, 1949, was born in that city on March 6, 1899. Mr. Sherman entered railroad service in August, 1916, as a telephone operator at Topeka, being transferred to Denver, Colo., in 1928 as ticket clerk. Four years later he was made depot passenger agent at Denver and in 1938 was appointed traveling pas-



George F. Sherman, Jr.

senger agent at Des Moines, Iowa. Subsequently he held the same position at St. Joseph, Mo., becoming general traveling passenger agent at Chicago in January, 1942. From February, 1942, to January, 1946, he served as division freight and passenger agent at Colorado Springs, Colo. Later, Mr. Sherman was appointed division passenger agent at Denver and, in November, 1947, became division freight and passenger agent at St. Joseph, the position he held prior to his promotion.

James J. Craig and **Collins C. Miller**, traffic representatives of the Toledo, Peoria & Western, have been appointed general agents in the Peoria (Ill.) territory.

Andrew C. Yorke, general baggage agent of the Pennsylvania at Philadelphia, Pa., will retire on January 31, after 50 years of service in the baggage department. **Richard F. Hampel**, assistant general passenger agent at Philadelphia, will succeed Mr. Yorke.

S. G. Williams, assistant to freight traffic manager of the Atlantic Coast Line, has been appointed assistant freight traffic manager, with headquarters as before at Wilmington, N. C. Mr. Williams was born at Charleston, S. C., and educated at Gaud's School in that city; Hotchkiss School, Lakeville, Conn., and Yale University. From November, 1932,

to March, 1941, he was employed as traveling freight agent and acting general agent by the Bull Steamship Line, Jacksonville, Fla., and Charleston, and from March, 1941, to May, 1946, served with the American Barge Line Company as division freight agent at New Orleans, La., and assistant to vice-president at Pittsburgh, Pa. Mr. Williams entered the service of the A. C. L. in May, 1946, as assistant to freight traffic manager at Jacksonville, subsequently serving as assistant general freight agent and assistant to freight traffic manager at Wilmington.

Wilbur W. Carter, chief clerk in the industrial and agricultural development departments of the Louisville & Nashville, has been promoted to industrial agent, with headquarters at Louisville, Ky.

MECHANICAL

Karl Berg, superintendent of motive power of the Pittsburgh & Lake Erie at McKees Rocks, Pa., for 19 years, retired on December 31, on reaching the mandatory retirement age of 68, after 45 years of service. Mr. Berg was born in Sweden in December, 1881, and attended the New York Central apprentice school course and evening classes in mechanical engineering at the School of Applied Science, Carnegie Institute of Technology, Pittsburgh, Pa. He joined the P. & L. E. in 1903 as a machinist's helper at Pittsburgh, subsequently becoming a mechanical draftsman and, in 1911, chief draftsman. Mr. Berg was appointed shop superintendent at McKees Rocks in 1920, assistant superintendent of motive power in 1927 and superintendent of motive power in 1930.

H. G. Pike, research engineer of the Pittsburgh & Lake Erie at Pittsburgh, Pa., has been appointed superintendent of equipment, with jurisdiction over the locomotive and car departments. **Harry Courtney**, assistant superintendent of motive power at McKees Rocks, Pa., has been appointed assistant superintendent of equipment. **T. W. Carr**, superintendent of rolling stock, has been appointed assistant to the superintendent of equipment.

Mr. Pike, a native of Willoughby, Ohio, attended Ohio State University and Carnegie Institute of Technology. He joined the P.&L.E. in 1941 as engineering draftsman, becoming research assistant in 1946 and research engineer last year.

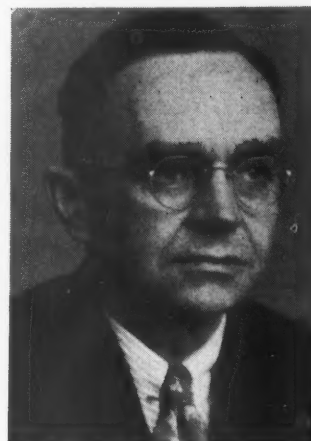
Mr. Courtney, a native of Pittsburgh, joined the P.&L.E. in 1913 as mechanical draftsman, becoming shop superintendent at McKees Rocks in 1927 and assistant superintendent of motive power in 1945.

ENGINEERING & SIGNALING

Reginald N. Wade, engineer maintenance of way, Rapid Transit division,

Chicago Transit Authority, and formerly with the Chicago, Burlington & Quincy and the Pacific Great Eastern, is to retire on February 28, after 46 years of railroad service. Mr. Wade began his career with the Burlington in 1904, subsequently served for four years with the Metropolitan West Side Elevated Railway in Chicago and in 1912 joined the P. G. E. as resident engineer on location construction from Vancouver, B. C., to Prince George. He has served with Rapid Transit at Chicago since 1915.

Loren Shedd, whose appointment as bridge engineer of the Grand Trunk Western at Detroit, Mich., was reported in the *Railway Age* of December 3, 1949, was born at Tekonsha, Mich., on July 20, 1899. Mr. Shedd received his B. S. degree in civil engineering in 1921 from



Loren Shedd

Michigan State College, and entered railroad service in July, 1927, as a draftsman with the Grand Trunk at Detroit. In January, 1947, he was advanced to designing engineer at Detroit, in which position he was serving at the time of his recent appointment.

OBITUARY

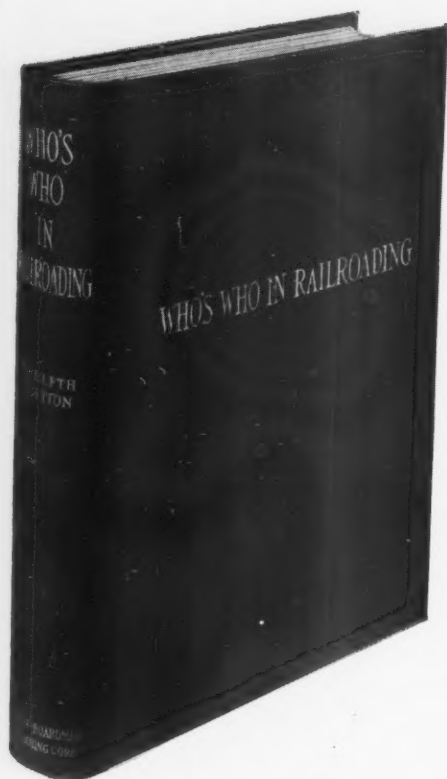
W. H. Burke, who retired two years ago as division superintendent of the Chicago North Shore & Milwaukee, at Milwaukee, Wis., died on January 20 in that city.

Norman B. Walton, executive vice-president of the Canadian National at Montreal, Que., died on January 21. He was 65 years old.

H. L. Hodges, mechanical engineer of the Florida East Coast at St. Augustine, Fla., died in that city on January 15. Mr. Hodges was born on November 10, 1879, and entered the service of the F.E.C. on April 15, 1912. After serving in various capacities he was appointed shop engineer on September 2, 1924, and promoted to mechanical engineer on August 1, 1933.

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Current Publications

PAMPHLETS

Names and Nicknames of Freight Trains Operated on the Railroads of the United States and Canada. 19 pages. Published by the Association of American Railroads, Transportation building, Washington 6, D. C. Free.

The A.A.R. has revised and brought up to date in the current pamphlet (Railway Information Series No. 12) its list of names and nicknames of freight trains. Official names of trains are without quotes; nicknames are in quotes. The name of the railroad on which the train operates, its scheduled run and its number or symbol are also shown.

A Condensed History of the Great Northern Railway. 10 pages. Published by the Public Relations Department, Great Northern Railway Company, St. Paul 1, Minn. Free.

Outlines briefly the history of the Great Northern and the part played by James J. Hill in its development. Current improvements are also noted.

Historical Sketch of Rutland Railroad Company, 1849-1949. 18 pages. Available from the Rutland Railroad Company, Rutland, Vt. Free.

December 18, 1949, marked the centennial of the running of the first train over the completed line of the Rutland and Burlington Railroad Company. To commemorate the occasion the railroad has issued this little historical sketch of the Rutland and its predecessor companies.

What the Canadian Pacific Says About Canada's Transportation Problems, by Alan Randal. 28 pages. Published by the Financial Times, Montreal, Que. Free.

At a glance, the submission of the Canadian Pacific to the Royal Commission on Transportation gave evidence of being a document of considerable importance. Its detailed length, however, meant it could hardly be read by any great number of people in these busy days. To offset this condition, the Financial Times called upon Alan Randal, Canadian newsman, former foreign correspondent and Parliamentary press gallery correspondent at Ottawa, to make a concise resumé of the railway brief. Prior to the filing of this detailed submission a 42-page outline submission was filed on May 27. For a summary of this submission see *Railway Age*, June 4, 1949, page 54.

Let's Look into Enameledware. 12 pages, illustrations. Published by the Enameled Utensil Manufacturers Council, Keith building, Cleveland 15, Ohio. Free.

This booklet explains the process by which porcelain on steel utensils are manufactured, shows manufacturers' defects and variations in the products, and illustrates damage to utensils from bad handling.

BOOKS

The First Transcontinental Railroad; Central Pacific, Union Pacific, by John Debo Galloway. 319 pages, illustrations, end paper maps. Published by Simmons-Boardman

Publishing Corporation, 30 Church st., New York 7, \$5.

This is the story of the building of the Union Pacific and the Central Pacific. Against a background of broad western plains, arid deserts, and towering mountains are traced the early path-finding explorations and the government's far-reaching Pacific Railroad surveys. The colorful promoters and financiers are introduced and their contributions examined in the light of modern historical research. Here too are the stories of the lives of the construction engineers and the chiefs of the construction companies whose monumental work is appraised with a professional eye. There are also chapters on the location and construction of the two railroads, culminating in the meeting at Promontory, Utah, on May 10, 1869.

Handbook for Model Railroaders, by W. K. Walthers. 218 pages, illustrations. Published by the Kalmbach Publishing Company, Milwaukee 3, Wis. \$3.

This is a revised edition of a handbook which has become a standard work in the model railroad field. It is especially planned to be useful to the beginner, to familiarize him with model practice, construction methods and terminology, and to assist him in planning an interesting and practical model railroad system. The author is a long-time manufacturer of model railroad equipment with some 40 years of active participation as a hobbyist. Some typical

chapters are: Planning the layout, freight and passenger cars, car construction methods, painting cars, lettering cars, motive power, operation and control, model railroad signaling, and scenery.

Engineers' Dictionary; Spanish-English and English-Spanish, by Louis A. Robb. Second edition, 664 pages. Published by John Wiley & Sons, Inc., 440 Fourth Ave., New York 16. \$12.50.

Under war conditions of 1943, when the original "Engineers' Dictionary" was in preparation, the publisher and author agreed that the book ought to be kept down to about 450 pages. Some material had to be laid aside, and although the resulting book dealt thoroughly with civil engineering, it could not go very far with terms of other fields. In enlarging the book, the author's principal objectives have been to cover electrical and mechanical engineering much more thoroughly (radio, of which the first edition had nothing, has been given thorough study and important terms of television have been included); to bring all branches of civil engineering up to date (special attention has been given to photogrammetry, soil mechanics and airport construction); and to include important terms peculiar to mining, shipbuilding, logging, sugar milling, and oil-field operations. In addition the railroad engineer will find of interest the many railroad terms which are included.

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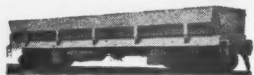
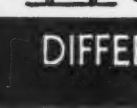


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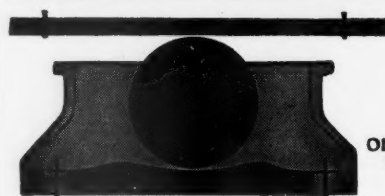
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